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BUDGET ADDRESS

DELIVERED BY

HONOURABLE LESLIE M. FROST

Treasurer of the Province of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MARCH 20TH, 1952

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

Also Statements of

ECONOMIC, FINANCIAL AND STATISTICAL
INFORMATION



TORONTO

Printed and Published by Baptist Johnston, Printer to the Queen's Most Excellent Majesty
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THE HISTORY OF THE

REIGN OF KING CHARLES THE FIRST

BY SAMUEL JOHNSON

IN TEN VOLUMES

LONDON: Printed by A. MILLAR, in Pall-mall.

1742.

Vol. I.

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DELIVERED BY

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TREASURER OF THE PROVINCE OF ONTARIO

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MARCH 20TH, 1952

HONOURABLE LESLIE M. FROST (Treasurer of Ontario) moved:

That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply.

He said: Mr. Speaker, on this, my tenth occasion of making the traditional motion on the Budget presentation, it is opportune to review present economic conditions in Ontario and the application of our basic policy on surplus and debt that I first enunciated in 1944. This policy has been approved by the people in the general elections of 1945, 1948 and 1951, and we have not deviated from it.

Even against the background of outstanding developments in Canada as a whole, the economic growth of Ontario has been impressive. Expansion has been very marked in mining, forestry, construction, hydro-electric power and in the chemical and heavy manufacturing industries. The continued high level of capital investment and employment affords ample testimony that confidence in the basic soundness of the Province is undiminished.

Consumer retail sales at the beginning of 1951 reflected the inflationary boom of which they were an important part. The anticipation of impending Federal credit restrictions and higher excise taxes led to intensified production and sales of commodities which it was correctly assumed would become subject to heavier restrictions and taxes. A sharp reaction from this feverish buying was inevitable. Part of the sales occurring in the first three months of 1951 were in effect borrowed from the later months. But the readjustment, with its resultant effect on employment, has gone further than most expected. In consequence, Federal credit restrictions have been relaxed, and additional steps will no doubt be taken to meet the situation.

Not all the slackening in consumer spending and retail sales could be attributed to the anti-inflationary program. Some international prices were beginning to fall. Foreign competition was being increasingly felt in domestic textiles and other industrial fields. The postwar backlog of consumer wants was vanishing, and temporary saturation points were being approached at prevailing prices in some lines.

In spite of some adverse developments, however, the past year has been one of extraordinary growth and progress. Ontario's provincial product in 1951

increased over that in the previous year by 17 per cent in value and 6 per cent in volume to a total of \$8.7 billion. Personal income in Ontario rose by \$1.0 billion, labour income by approximately \$660 million and farm cash income by 17 per cent, or \$116 million.

Private and public investment in Ontario, one of the outstanding characteristics of our postwar economy, rose in 1951 to \$1 $\frac{3}{4}$ billion, an increase of 23 per cent over that in 1950. As in past years, approximately 21 cents out of every dollar spent in Ontario was devoted to the expansion of industrial plant, machinery and equipment, housing and other capital assets. There is no better evidence of the vigour of our industry and the people's faith in the future of Ontario than this investment in the capital assets of the Province—\$7.7 billion since 1944. This Province has done very well indeed.

Export trade, another of the dynamic forces in the economy, rose to a new high level, both in value and volume terms. Ontario's primary and secondary industries, which contribute substantially to this export trade, were in almost all lines operating under forced draft. Canadian domestic exports in 1951 totalled nearly \$4.0 billion, an increase of 26 per cent in value and 9 per cent in terms of physical volume over 1950. Consumption of electrical energy in Ontario showed an increase of 16 per cent over that of a year ago.

In terms of population, Ontario's natural increase (births less deaths) totalled over 71,000 last year. As in the case of births, the rate of natural increase approximated the highest level this Province has experienced in the last fifty years. As to immigration, last year 54 per cent of all those coming to Canada gave Ontario as their destination. Our gross population gain was over 176,000 and, after allowing for emigration from Ontario, the net increase was probably about 160,000, exceeding the largest previous yearly increase by 45,000. Ontario's present population is nearly 4 $\frac{3}{4}$ million.

Influenced by recruitment from the flow of immigration and from our own native born who in the year reached working age, the volume of employment attained a record high level in 1951. By August, the number of Ontario men and women with jobs had risen to nearly 1,900,000, an increase of 58,000 in the year.

Despite tighter credit, higher interest rates and the dropping of the 1/6th provision on N.H.A. loans (partially restored in October), the number of completions of new residential dwelling units in Ontario in 1951 was the highest in the history of the Province. The position of Ontario in this respect is unique, for it is the only province to show an increase in housing completions over those of a year ago. The number of starts and houses under construction is, however, lower than a year ago, and unless conditions change drastically a drop in completions in 1952 is unavoidable. Starts were also lower in all the other provinces and, except in Newfoundland, so were houses under construction.

The story in Ontario is one of development in every field. In agriculture, preliminary estimates place the gross value of Ontario's 1951 output at over \$1 $\frac{1}{4}$ billion, about 15 per cent greater than in 1950. Increased returns from the sale of livestock and field crops were largely responsible for the higher dollar value. In the main, this increase was the result more of higher prices than of greater output from Ontario farms. But, by and large, the industry achieved a slightly larger output with a smaller labour force. The decline in the farm labour force was offset by increased mechanization and by the extension of rural power.

In forestry, Ontario's gross value of production is estimated to have increased about 20 per cent in 1951. Higher outputs were realized by sawmills and pulp and paper industries. The output in pulp and paper was substantially higher. Export figures showed a marked increase.

In mining, the increase was over 19 per cent. The output of Ontario mines in 1951 reached an all time high of \$437 million. During the past year, iron ore development has been further advanced, providing a foretaste of the great future for iron production in this Province. Nickel was the leading mineral produced in Ontario and it ranked second in all Canada, replacing copper. Gold production, beset by operating difficulties and the loss of the exchange premium, declined slightly, but in value of output, gold was still the leading mineral in Canada and occupied second place in Ontario.

In manufacturing, activities in the Province are yearly assuming new importance. Manufactures now provide employment for 52 per cent of all the working men and women in Ontario industry who are on salaries or wages. The gross value of manufacturing production in Ontario in 1951 was estimated to have been over 20 per cent higher than the previous year.

The capacity of Ontario industry to produce is rising. This means that we are to an increasing extent enjoying the fruits of our past capital investment in the expansion and modernization of our industrial plant and machinery. Ontario is providing not only a healthy environment for the expansion of established industries, but a strong attraction for new industries. Hundreds of projects, large and small, have been located throughout Ontario, and they will have important consequences for the industrial growth of this Province. Many of these developments are taking place in the smaller communities, and we cannot doubt that this movement is in the general economic and social interests of the people. The number of manufacturing establishments in Ontario is increasing by several hundred annually, but a large part of the increase in capacity is taking the form of expansion by established plants.

CHANGES IN THE MONEY MARKET

Federal fiscal measures designed to control inflation have been reinforced by several monetary steps to tighten up credit and investment money. At first, this action was on a modest scale and made little impression. On September 30th, 1950, the Government abandoned its official buying and selling rates for the Canadian dollar. Two weeks later, on October 17th, 1950, the Bank of Canada moved to control credit expansion by raising the Bank Rate from $1\frac{1}{2}$ per cent to 2 per cent. Although the direct effect of this action was almost negligible, the raising of the Bank Rate was a clear signal that the cheap money philosophy had for the time being ended. Since the creation of the Bank of Canada in 1934, there had been only one previous adjustment in the Bank Rate. That occurred in 1944, when the rate was reduced from $2\frac{1}{2}$ per cent to $1\frac{1}{2}$ per cent.

The attack on inflation by monetary measures was the first major reversal in the policy of the Bank of Canada since its inception seventeen years ago. Through eleven years of war and postwar reconversion an easy money policy had reigned; and it is one of the remarkable features of this whole period that, despite the financing of heavy public and private war and capital expenditures,

interest rates on high grade bonds tended to move downwards. But for a year and a half now, the prices of Canadian bonds have been declining and interest rates rising. The Dominion of Canada perpetuums, which were selling above par in October, 1950, were down to 85 to 86 at the beginning of January, 1952. Dominion of Canada $2\frac{1}{2}$ per cent bonds, due in 1968, dropped to $90\frac{1}{2}$ to 91.

The decline in the price of Government of Canada bonds created an entirely different situation for the marketing of provincial bonds. As long as Government of Canada bonds were selling above par, the provinces could count on a fairly active market for new issues, but when Federal Government bonds moved below par, provincial bonds were no longer so attractive. Financial institutions were understandably no more eager to sell their Canadian bonds at a loss than any other investor—thus, a thinner market for provincial and municipal bonds.

This deterioration in the supply of money for new bond issues has come at a time when the Province's requirements in the way of capital issues, particularly on behalf of the Hydro-Electric Power Commission of Ontario, are exceptionally large. Last year it was indicated in the Legislature that new action would have to be taken, and our statutes were amended accordingly. As a result, the Province entered the New York market on two occasions during the past year with issues of \$50 million each for the purposes of the Hydro-Electric Power Commission of Ontario. Additionally, the Government maintained its interest in the Canadian market. Two issues, one for \$30 million and the other for \$50 million, were made by Hydro, and the Province itself entered the market, principally for refunding purposes, for a loan of \$50 million, making a total of \$130 million raised in our own markets.

Ontario's New York loan last May was the first long-term issue the Province has sold in this market in twenty years. Hydro's experience with its May issue had not encouraged us to believe that the Canadian markets, under the unusual conditions which I have outlined, were capable of absorbing another loan so soon. Interest rates, of course, had risen in New York as well, but because of the extent of their market, we found that we were able to borrow amounts which at that time were not available in Canada.

The effect of increases in interest rates is, of course, manifest in our issues. We have been obliged to pay from about $\frac{1}{2}$ to 1 per cent more than we would have had to pay on comparable loans a year and a half ago. This is in line with the rates on other government issues. The terms upon which we have sold our bonds are favourable in the light of the recent experience of other borrowers and, indeed, they are a tribute to the sound credit position of this Province, to which I shall refer later, and to the Government's practice since 1943 of building up sinking funds and retiring debt out of surplus account—a practice from which we have not departed over the years. It is to this policy and to the strong control which we have maintained over our net debt, which must be paid from taxes, that our strong fiscal position can be attributed. This has given us the strength to finance self-liquidating projects, such as Hydro, which in the past few years have involved over \$700 million in financing, and it is this strength which makes it possible for us to face developmental projects, such as the St. Lawrence, with positive confidence in our ability to carry out our commitments.

While we recognize that a low interest rate policy is at present in conflict with the measures adopted to combat inflation, nevertheless, I am referring back to a statement made in 1944 by Mr. G. F. Towers, Governor of the Bank of

Canada, when he explained the reasons for the reduction in the Bank Rate at that time. He said that "the prospect of unstable interest rates could make it exceedingly difficult for business to formulate long-term plans. Moreover, high borrowing costs would hamper new investment in plant, equipment and housing, would restrict the expansion of employment, and would seriously complicate the task of government financing."

There was great cogency in Mr. Towers' remarks then, and there is some application to the present situation. A slightly firmer tone for provincial issues developed in the money market this last January, but we should like to see further improvement to the end that the needs of Hydro and our own capital undertakings are met, as well as those of our municipalities, industry and the people who are seeking to establish themselves in homes of their own.

Ontario is old enough to value thrift and saving, and young enough to need investment capital and to be able to make effective use of it. It is no exaggeration to say that the future productiveness of our industrial structure depends on how wisely we are able to add to our capital stock. A high rate of investment in production facilities gives better assurance that the problems and tasks of tomorrow will be lighter than those of to-day.

SOME FACTORS IN 1952

The immediate economic outlook, although not so trouble-free as a year ago, has many undercurrents of strength. The increase in defence spending will add nearly 3 per cent to our total national expenditure, and will inevitably set up a train of secondary effects amplifying the initial outlay. The distribution of an additional \$200 million for old age pensions will mean a boost to consumer expenditure. Continuation of the capital investment boom in defence industries and in primary resources, particularly mining and forestry, is assured. The pace of general construction should continue largely unabated. It is hoped that there will be further relaxation in Federal credit restrictions on housing, which is showing some softness. Exports in 1952 will again be at a high level. The high rate of population growth throughout the democratic community of nations carries a presumption of increased long-term demand for the products of our farms, mines and forests and manufactures of one kind and another.

The drying up of credit and lending in the money markets curbs construction of housing and other capital works, affecting building suppliers and employees in these fields. Shortage of steel and other structural materials may form an even more effective barrier to expansion. Among the unpredictable elements in the 1952 picture is the increased volume of savings of private individuals estimated for Canada at \$641 million more in 1951 than in the previous year.

Sound economy and thrift are two of the sounding posts of progress. They should be practised by governments and individuals. The past year has demonstrated the tremendous productivity of our industry. Inflationary pressures are considerably less today than they were a year ago, and our enlarged productive capacity has gone a long way towards relieving that condition. By and large, the future is bright. Our financial position is sound. The world is turning its eyes to Canada and in the Canadian picture Ontario looms large. 1952 should be a good year.

TAXATION, SURPLUS AND DEBT

This brings me to a discussion of the policy which I set out in my first Budget Speech, delivered on March 16, 1944. The question may well be asked: how has this policy worked out in these years of spectacular expansion and development where at every hand we see signs of growth and development? The policy we set out at that time has been followed unswervingly and unhesitatingly. As I have said, it has had the endorsement of our people in three general elections. During the last general election, and, indeed, in some newspaper comments since, there have been attempts to distort what we are doing and what we have done. May I assert that the policy we have followed is one which has contributed greatly to the financial strength of this Province. The fact that we have a large reservoir of credit available has made it possible for us to find the hundreds of millions of dollars required for Hydro, highways and other projects. It made it possible, without a moment's hesitation last July, for us to say that in partnership with the Federal Government we were prepared to go ahead with the seaway and power development on the St. Lawrence as an all-Canadian project.

I refer the Members of the House to the first fifteen pages of that 1944 Budget presentation dealing with the policy we have since followed. There, will be found a description of revenue producing and realizable assets, gross debt, and the all-important net debt, which must be paid from the taxes of the people and bears interest which is each year a first charge on our revenues. As I pointed out at that time, the net debt had grown from virtually nothing at the commencement of the century to approximately \$1½ billion in 1943. This type of debt is inseparable from surplus financing. If services are provided on ordinary account which increase the net debt, then we create a charge against each and every one of us on our future income.

It is, of course, necessary for us to use our credit. We have not taken the position that all of the capital costs of highways should be paid out of the revenues of one year. That is an extreme position. Credit, however, should be soundly used. It is a real asset which should always be conserved. Times come in the life of a province when, because of recession or other conditions, it is necessary to increase the net debt. But in times of buoyancy, it is the way of prudence to pay as much of our capital costs as we can from current revenues.

When I say, pay as much of our capital costs as we can, this brings me to the matter of taxation. We could pay all of our capital costs which are chargeable to net debt out of current taxes if we desired to impose the taxes. It has been our belief that in these days of high living costs and inflationary trends the best contribution we can make to containing that inflation is to carefully control our net debt, the class of debt which is payable from the taxes of our people.

Ontario has the lowest provincial taxation in Canada. We have no personal income tax, although we feel the Federal Government should credit us with 5 per cent of their collections, which has not been done. We have no sales tax, tobacco tax, meal tax or any taxes of that sort. Our taxes are of that class which has the lowest impact on the cost of living and, outside of corporation tax, our revenues come very largely from services which are provided. Such taxes include gasoline and motor vehicle licence fees, royalties on natural resources, and profits of commissions operated by the Government. Our two-

fold objective has been to keep our taxes low—in which we have been successful—and to so conduct our business that we can apply surpluses to the control of our net debt and, by paying what we can on current capital costs and increasing sinking fund payments, keep our credit healthy and strong and reduce the interest bill and service cost which go with the rise of debt.

Net debt can be increased by deficits on ordinary account. We have avoided deficits. We have had nine consecutive surpluses—a series that is unprecedented in the history of this Province. The other principal cause of net debt increase arises from borrowing to meet the capital cost of highways and public works.

The course we took in 1944 was designed: First, to provide for a sinking fund which would extinguish the then existing net debt of \$495 million over a period of not more than fifty years. That is the amount set forth each year in the sinking fund provision. Secondly, to use our highway revenues to pay the ordinary cost of operation and maintenance, subsidies to our municipalities, interest on the present highway debt, the amortization of new debt created, and, after these charges, to apply any remaining balance to surplus account to extinguish capital debt in the year in which it is incurred. Thirdly, with respect to public buildings and other works, which are not revenue producing, to pay as much as possible of their cost of construction out of ordinary revenue. In other words, our policy has been to apply surpluses which can be accumulated from the businesslike operations of the Province to the extinguishment of debt in the year in which it is incurred.

Eight years ago I said in describing this policy:

“All of the foregoing is, of course, predicated upon governments having the wisdom to tax for services which are given. The rule should be that we have balanced budgets and a wise use of our credit. A disregard of these principles will impair or destroy our credit, which is one of our greatest assets, and will place our Province in a debt-ridden position.”

I am glad to be able to say that we have followed this policy unswervingly and with salutary results. I may point out that our practice is to allocate many of the charges which might be regarded as capital, such as re-aligning and eliminating highway grades, to current account and to increase our sinking fund provisions beyond those required for extinguishing the net debt of 1943 in fifty years. In the last nine years, we have paid \$110.3 million into sinking fund—22 per cent of the net debt outstanding on March 31, 1943. This result justifies our increasing the sinking fund payments.

Another way of illustrating what we have done is this: for the eight years up to March 31, 1951 we increased our physical assets by the amount of \$215.2 million. This was in capital construction, including highways and buildings. During the same period, our sinking fund provision and surplus amounted to \$188.6 million which meant that we met 87.6 per cent of the cost of capital construction during that period from ordinary account. The balance was added to net debt which increased during that period by \$26.1 million, making the net debt as of the 31st March, 1951, \$521.6 million. This is a very vivid illustration of how we controlled our net debt during that period.

We would not approach the point of taxing beyond what is necessary until we reach the point of paying all of our capital costs for every year within the

year in which they are incurred and then providing for debt retirement in excess of that needed for extinguishing the debt within the fifty year period. We have never had any such objective as that. We have felt that such a policy would be extreme and would require the imposition of more taxes. We have never taken the position that we should pay all the capital costs in the year in which they are incurred. Our position has been the moderate one of applying what we reasonably can against new debt and amortizing the balance.

I append hereto a statement which was, in part, in my Budget Address of 1944, and has now been brought up to date. This shows our position in the various classes of debt to which I have referred.

TRENDS IN ONTARIO'S DEBT, 1930 TO 1951

(Totals in Millions of Dollars)

(Per Capita in Dollars)

| | 1930 Oct. 31 | 1931 Oct. 31 | 1932 Oct. 31 | 1933 Oct. 31 | 1934 Oct. 31 | 1935 Mar. 31 | 1936 Mar. 31 | 1937 Mar. 31 | 1938 Mar. 31 | 1939 Mar. 31 | 1940 Mar. 31 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Liabilities represented by Revenue-producing and Realizable Assets, being money advanced by the Province to Hydro, Ontario Northland Rly., Farm Loans Bd., etc..... | 260.6 | 276.6 | 296.8 | 294.7 | 297.3 | 295.9 | 293.6 | 251.1 | 239.7 | 234.5 | 229.8 |
| Net Debt which must be paid from Taxes | 212.7 | 244.0 | 277.6 | 299.4 | 358.5 | 378.5 | 405.0 | 405.4 | 438.3 | 478.2 | 507.2 |
| Total Gross Debt as shown in Public Accounts..... | 473.3 | 520.6 | 574.4 | 594.1 | 655.8 | 674.4 | 689.6 | 656.5 | 678.0 | 712.7 | 737.0 |
| Net Debt per Capita (\$) | 62.84 | 71.11 | 79.95 | 85.26 | 101.15 | 106.78 | 113.58 | 112.43 | 120.51 | 130.25 | 136.79 |
| | 1941 Mar. 31 | 1942 Mar. 31 | 1943 Mar. 31 | 1944 Mar. 31 | 1945 Mar. 31 | 1946 Mar. 31 | 1947 Mar. 31 | 1948 Mar. 31 | 1949 Mar. 31 | 1950 Mar. 31 | 1951 Mar. 31 |
| Liabilities represented by Revenue-producing and Realizable Assets, being money advanced by the Province to Hydro, Ontario Northland Rly., Farm Loans Bd., etc..... | 223.4 | 217.6 | 209.4 | 184.0 | 166.2 | 160.9 | 152.1 | 161.6 | 145.0 | 185.2 | 176.4 |
| Net Debt which must be paid from Taxes | 506.2 | 507.1 | 495.4 | 482.5 | 480.3 | 478.4 | 493.1 | 466.8 | 483.7 | 508.8 | 521.6 |
| Total Gross Debt as shown in Public Accounts..... | 729.6 | 724.7 | 704.8 | 666.5 | 646.5 | 639.3 | 645.2 | 628.4 | 628.7 | 694.0 | 698.0 |
| Net Debt per capita (\$) | 135.09 | 133.89 | 127.56 | 123.24 | 121.20 | 119.60 | 120.47 | 111.77 | 113.14 | 116.22 | 116.65 |

How well we have been able to control our net debt is shown by the fact that on March 31, 1940, it stood at \$507.2 million and on March 31, 1951, at \$521.6 million. In the first forty years of the century, when our population was much smaller, approximately \$500 million was added to our net debt; in the next eleven years only \$14.4 million. Of course, in this latter period were the war years when there were little, if any, capital expenditures. Nevertheless, since 1945, we have seen the spectacular expansion of Ontario, a period when we might have expected to call very largely on our credit. This is a remarkable record, indeed. It is fair also to say that the \$521.6 million, under date of March 31, 1951, bears a very different relationship to our income than did the \$507.2 million as of March 31, 1940. Since that time the value of the assets of Ontario has increased mightily. Our net ordinary revenues, due to the expansion of the Province, have risen from \$88 million to \$265 million last year. In 1940, the net debt was nearly six times revenue; in 1950-51 it was less than twice as much. The purchasing value of the dollar is, of course, less. Accordingly, the burden of our net debt is a great deal less than in 1940.

As to the future, we shall be faced with net debt increases unless we increase taxation, which I think we are wise to avoid. In this period of high cost of living I think it is fair that we should moderately use our credit to avoid raising taxes. We should adhere to the principles of our policy of 1944, namely, to increase our sinking fund and retire our old debt within the term set out and apply any surplus above that to the retirement of new debt resulting from capital works, thus making provision for the amortization of our net debt over a reasonable period of years. This is the policy we have followed—the policy which has kept Ontario's credit bright and clean and placed us in the strongest financial position in our history, particularly from the standpoint of our credit. Again I emphasize that we have the lowest provincial taxation in Canada, taxation arising almost in its entirety from services we render or resources we sell.

If our surplus were such that we were making no additions to net debt, our situation would be different. We would then be in the position of applying all our surplus to the reduction of old debt over and above our sinking fund requirements. If we were in that position, we could consider further tax reductions; but we are not. Our position is that for a number of years, indeed for the foreseeable future, we shall have to make additions to our net debt. Our objective must be to keep such additions as low as possible. If we reached the position that the additions became too large we would be obliged, as outlined in the 1944 policy, to increase taxes to take care of them.

DOMINION-PROVINCIAL RELATIONS

I shall not elaborate upon what has taken place in this important field as I referred extensively to it last September, and again in the House during this Session. I shall merely point out that we have occupied only a portion of the taxing field we could have rented under the proposal of 1945-46, and still we have realized more from that portion of the field we have occupied than we would have from the rental for the whole field.

The following statement shows results to March 31, 1952, but as part of the Federal rental will be paid after March 31, and, as there will be arrears of taxes collected by the Province after that date, it has been adjusted to take these backlogs into account.

FEDERAL GOVERNMENT'S PROPOSED PAYMENT TO THE ONTARIO GOVERNMENT UNDER DOMINION-PROVINCIAL
TAX AGREEMENT COMPARED WITH REVENUE FROM TAX AND OTHER SOURCES RETAINED
BY THE PROVINCE, FISCAL YEARS 1947-48 TO 1951-52

(Thousands of Dollars)

| | 1947-48 | 1948-49 | 1949-50 | 1950-51 | 1951-52 | Total | Backlog | Grand Total |
|--|---------|---------|---------|---------|---------|---------|---------|----------------|
| Proposed Federal Rental Payments: ¹ | | | | | | | | |
| Adjusted on final 1951 census population and latest estimates of gross national product per capita..... | 58,095 | 79,387 | 86,488 | 95,419 | 104,438 | 423,827 | 25,719 | 449,546 |
| Ontario's Revenue from Tax and Other Sources Retained: | | | | | | | | |
| Statutory Subsidies..... | 3,155 | 3,155 | 3,155 | 3,155 | 3,641 | 16,261 | ..... | 16,261 |
| Corporations Tax..... | 44,664 | 60,712 | 64,154 | 76,254 | 90,000 | 335,784 | ..... | 335,784 |
| Succession Duties..... | 17,945 | 15,995 | 14,978 | 17,828 | 19,500 | 86,246 | ..... | 86,246 |
| Excess of Mining Royalties over amount that could have been collected under Federal proposal without raising the level of taxation..... | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 7,000 | ..... | 7,000 |
| Excess of Logging Royalties over amount that could have been collected under Federal proposal without raising the level of taxation..... | ..... | ..... | ..... | ..... | 1,000 | 1,000 | ..... | 1,000 |
| Backlog of collections due to Province from corporation taxes, succession duties, mining and logging taxes..... | 67,164 | 81,262 | 83,687 | 98,637 | 115,541 | 446,291 | 10,000 | 10,000 |
| Surplus or Deficiency (—) of Collections from Revenue Sources Retained over Rental Payments..... | 9,069 | 1,875 | —2,801 | 3,218 | 11,103 | 22,464 | —15,719 | 6,745 |
| Personal Income Tax not collected by Province but held in reserve at 5% as per Federal proposal..... | 13,993 | 14,691 | 11,474 | 13,500 | 17,500 | 71,158 | ..... | 71,158 |
| Total Surplus or Deficiency (—) of Ontario Revenue Fields Retained over Rental Payments..... | 23,062 | 16,566 | 8,673 | 16,718 | 28,603 | 93,622 | —15,719 | 77,903 |

¹The fourth instalment of the rental payment owing in respect to each fiscal year is not payable until June 30th of the following fiscal year. The slightly higher rental payments shown in this statement compared with previous statements arise from the use of final 1951 census population figures which have now become available.

For the year 1952-53 we have prepared and balanced our accounts. We are budgeting for a surplus. None of this precludes the possibility of the Province entering into an agreement or agreements on tax matters. The door is wide open for discussion. In fact, discussions have been held and views have been exchanged on a variety of subjects. For the last five years we have been able to stand on our own feet without having hurt anyone, and we feel that we have helped not only ourselves, but everyone. Much has been learned. At the last Dominion-Provincial conference, convened on December 4, 1950, the Federal Minister of Finance quite generously acknowledged this when he said:

"I believe, too, that I should pay tribute to the general restraint and reasonableness shown by the two provinces which did not choose to enter into these tax agreements. In recent years, when financial demands have been extremely heavy, both provinces have in general pursued tax policies which, while conceived, of course, in the interest of the particular provinces, have not caused serious complications for the economy as a whole."

This is quite true. Each government has been able to pursue its policies unhampered by the others. Indeed, there has been a spirit of co-operation and appreciation of the problems of others on all sides which I do not think has been present for many years. This spirit of understanding, and the wealth of experience upon which it is based, will be of great benefit to us all in future dealings. That real success has attended negotiations between the governments of Canada and Ontario on fiscal, constitutional and other subjects is a matter of record. We have arrived at agreements on old age pensions, housing, the St. Lawrence Seaway and Power Development, the Niagara Treaty, the Trans-Canada Highway, conservation, and a great many other matters. There still remains much to be done. For instance, in the complicated subject of housing, we do not for a moment assert that what we have done is the last word. This difficult problem involves constant collaboration and action, and I am glad to say that a harmonious relationship exists to make this possible. In all matters of Dominion-Provincial relations, we as a Government are primarily responsible to the people of Ontario. It is our job to represent their interests. At the same time we are all Canadians, and we shall play our full part in promoting the general, sound, economic advancement of Canada.

I have said before—and this applies as well to taxation agreements as to anything else—that an agreement which is not good for all parties is not a good agreement. It must be fair and must protect the interests of all. It must be a Canadian approach, brought about by men of goodwill. The Federal offers have not been made in a take-it-or-leave-it attitude, and our position is similar. We are constantly looking for betterment and for advances which will be for the benefit of all our people.

In the past there has been a tendency in some respects to over-emphasize the benefits of certain types of revenue potential. In Ontario, we have a vast industrial concentration which has become more marked than ever in the last ten years, and it is increasing. We have received very large revenues from industry. That, however, does not make us a wealthy province. Industry has brought us enormous problems in Education, Welfare, Highways, Municipal Affairs, Conservation and, in fact, in every phase of government. Revenues are needed for these purposes. If the Province did not have them, it could not meet its commitments. In our case, these large revenue potentials have their counter-balance in an enormous growth of responsibility. All governments

have their own particular and peculiar problems, and it is the growing appreciation that we cannot be poured into the same mould that creates the spirit of understanding which has made possible such positive results in Dominion-Provincial relations as has been evidenced in these recent years. We have made progress, and we believe sound progress, and it will be our continuing policy to make further progress.

SPECIAL GRANTS AND PAYMENTS

Recent years have given rise to a number of special problems for our universities and our teaching hospitals which are an integral part of our universities. Our teaching hospitals play an important part in the training and education of students in medicine. For a number of years we have stressed the importance of these institutions. Without doctors and without science, the expansion of our health services would be impossible. Having met with special circumstances since my last Budget, we have made commitments to strengthen our teaching institutions.

During the year the Toronto General Hospital undertook to raise a large sum of money for renovation, modernization and expansion. The Hospital Board was successful in raising a sum in excess of \$16 million, and of this amount the Province agreed to pay \$3 million. The position of the Toronto General Hospital is, in many respects, unique. It is our largest teaching hospital, and accommodation for surgery and treatment has become congested beyond description. Its facilities and much of its equipment are outmoded. Surgical operations are being conducted under conditions which place a great strain upon the medical and nursing personnel concerned. We, therefore, decided to take action at once, and we pledged the above sum, and we believe it was an important factor in the success of the fund-raising campaign. We propose to pay this amount from this year's Budget.

As I have mentioned on previous occasions, the Wellesley Hospital is the site of the new Cancer Institute. The nursing facilities at that hospital were totally and completely inadequate, and as part of our project in cancer work we have undertaken the construction of a nurses' residence. For this purpose, \$424,000 was paid during the current year in the normal course, and the balance of \$1,200,000 we propose to ask the permission of the House to pay at once. The Cancer Institute, which will use the technical and nursing staffs of the hospital, cannot function unless there is adequate personnel.

We do not, however, desire to confine this special assistance to Toronto General Hospital, important as it is, and to the Wellesley Hospital with the Cancer Institute. We are cognizant that the other teaching hospitals throughout the Province also face difficulties which come from an expanding Ontario. The Government is, therefore, including in the expenditures for the present year an additional amount of \$1,550,000 for distribution among the other teaching hospitals of the Province as follows:

| | |
|--------------------------------------|-------------|
| Ottawa General Hospital..... | \$ 250,000 |
| Ottawa Civic Hospital..... | 150,000 |
| Kingston General Hospital..... | 275,000 |
| Kingston Hotel Dieu..... | 125,000 |
| Victoria Hospital, London..... | 300,000 |
| St. Joseph's Hospital, London..... | 100,000 |
| St. Michael's Hospital, Toronto..... | 175,000 |
| Western Hospital, Toronto..... | 175,000 |
| | <hr/> |
| | \$1,550,000 |
| | <hr/> |

This amount together with the \$3,000,000 payable to the Toronto General Hospital and the \$1,200,000 to the Wellesley Hospital makes a total of \$5,750,000 for the betterment of the teaching facilities and teaching hospitals of this Province.

We are not overlooking the general hospitals throughout the Province. In my Budget Address last year, I stated that the Government would pay the general hospitals before March 31, 1951, a special grant of \$1½ million towards the cost of indigent care, and I said that this assistance would be continued for another year and would be over and above all grants under existing bed assistance programs. It is, therefore, proposed to pay to all of our general hospitals the sum of \$1½ million before the 31st of this month to be applied against their maintenance costs.

We are not forgetting our universities. During this current fiscal year we have paid them \$5,700,000. This sum has been augmented by about \$2¼ million of Federal grants. All of the universities, however, are faced with capital expenditures, because of needed improvements and expansion. Our universities are not only the centres of things cultural, but they are also the main spring of scientific and health research which is fundamental to Ontario's progress and betterment. Accordingly, we propose to the House that special grants, totalling \$2,300,000, be given to our universities this year, distributed as follows:

| | |
|--|--------------|
| University of Toronto..... | \$ 900,000 |
| Queen's University..... | 400,000 |
| University of Western Ontario..... | 400,000 |
| University of Ottawa, Medical Faculty..... | 250,000 |
| McMaster University..... | 250,000 |
| Carleton College..... | 100,000 |
| | <hr/> |
| | \$ 2,300,000 |
| | <hr/> |

Including these grants for capital purposes, the Province's assistance to our universities for the current year will total \$8 million.

We are also placing to the credit of the Ontario Housing Corporation the sum of \$1 million, which will be used in connection with the Province's expanding housing operations. This amount will be supplemented, as I shall state in a few moments, by the provisions made for the next fiscal year.

In order to strengthen the Teachers' Superannuation Fund, we are requesting the approval of the House to pay the sum of \$1 million into this Fund.

It is my intention to introduce to the House at once supplementary estimates which will permit the payment of these sums before the close of the present fiscal year.

EXPENDITURE AND REVENUE

Including the above special grants and payments, the net ordinary expenditure before provision for sinking funds in the present year is estimated at \$266.9 million. In addition, provisions for sinking fund this year are made to the sum of \$25.3 million. This amount includes \$7,276,000 required to retire old debt and the sum of \$18,000,000 applied, in accordance with the policy which I have outlined, to capital indebtedness incurred during the year. This will make a total ordinary expenditure of \$292.2 million.

As a reflection of the high level of prices and economic activity in the Province, we are estimating our net ordinary revenue for the present fiscal year at \$293.1 million, resulting in a surplus on ordinary account of \$896,000.

With the permission of the House, I now table the Interim Statement of Ordinary Revenue for the Fiscal Year ended March 31, 1952, consisting of receipts for 10 months' actual and 2 months' forecast.

INTERIM STATEMENT OF ORDINARY REVENUE

Fiscal Year April 1, 1951—March 31, 1952

10 Months' Actual—2 Months' Forecast—12 Months

| DEPARTMENT | Gross Ordinary Revenue | Application of Revenue to Expenditure | Net Ordinary Revenue |
|---|--------------------------------|---|--------------------------------|
| AGRICULTURE..... | \$ 855,000.00 | \$ | \$ 855,000.00 |
| ATTORNEY-GENERAL..... | 2,860,000.00 | 406,000.00 | 2,454,000.00 |
| EDUCATION..... | 1,561,000.00 | 185,000.00 | 1,376,000.00 |
| HEALTH..... | 2,879,000.00 | 21,000.00 | 2,858,000.00 |
| HIGHWAYS: | | | |
| Main Office and Branch..... | 30,000.00 | ..... | 30,000.00 |
| Gasoline Tax..... | 71,000,000.00 | ..... | 71,000,000.00 |
| Motor Vehicles Branch..... | 21,000,000.00 | ..... | 21,000,000.00 |
| | <u>\$ 92,030,000.00</u> | <u>\$</u> | <u>\$ 92,030,000.00</u> |
| INSURANCE..... | \$ 344,000.00 | \$ | \$ 344,000.00 |
| LABOUR..... | 283,000.00 | 10,000.00 | 273,000.00 |
| LANDS AND FORESTS..... | 13,899,000.00 | ..... | 13,899,000.00 |
| MINES..... | 4,606,000.00 | 8,000.00 | 4,598,000.00 |
| MUNICIPAL AFFAIRS..... | 527,000.00 | ..... | 527,000.00 |
| PRIME MINISTER..... | 90,000.00 | ..... | 90,000.00 |
| PROVINCIAL SECRETARY..... | 819,000.00 | ..... | 819,000.00 |
| PROVINCIAL TREASURER: | | | |
| Main Office—Subsidy..... | 3,641,000.00 | ..... | 3,641,000.00 |
| Interest..... | 71,000.00 | ..... | 71,000.00 |
| Miscellaneous..... | 6,000.00 | ..... | 6,000.00 |
| Liquor Control Board—Profits..... | 42,000,000.00 | ..... | 42,000,000.00 |
| Liquor Control Board—Transfer Fees..... | 570,000.00 | ..... | 570,000.00 |
| Savings Office—Refund of Expenses..... | 535,000.00 | 535,000.00 | ..... |
| Provincial Share of Taxes collected from privately owned Corporations operat- ing Public Utilities..... | 630,000.00 | ..... | 630,000.00 |
| Controller of Revenue Branch: | | | |
| Hospitals Tax..... | 6,290,000.00 | ..... | 6,290,000.00 |
| Succession Duty..... | 19,500,000.00 | ..... | 19,500,000.00 |
| Corporations Tax..... | 90,000,000.00 | ..... | 90,000,000.00 |
| Race Tracks Tax..... | 4,014,000.00 | ..... | 4,014,000.00 |
| Security Transfer Tax..... | 1,668,000.00 | ..... | 1,668,000.00 |
| Land Transfer Tax..... | 1,800,000.00 | ..... | 1,800,000.00 |
| Law Stamps..... | 837,000.00 | ..... | 837,000.00 |
| Logging Tax..... | 1,000,000.00 | ..... | 1,000,000.00 |
| Miscellaneous..... | 8,000.00 | ..... | 8,000.00 |
| Motion Picture Censorship and Theatre Inspection Branch..... | 270,000.00 | ..... | 270,000.00 |
| | <u>\$172,840,000.00</u> | <u>\$ 535,000.00</u> | <u>\$172,305,000.00</u> |
| PUBLIC WORKS..... | \$ 45,000.00 | \$ 3,000.00 | \$ 42,000.00 |
| REFORM INSTITUTIONS..... | 2,927,000.00 | 2,334,000.00 | 593,000.00 |
| PUBLIC DEBT—Interest, Exchange, etc.... | 8,401,000.00 | 8,401,000.00 | ..... |
| | <u><u>\$304,966,000.00</u></u> | <u><u>\$11,903,000.00</u></u> | <u><u>\$293,063,000.00</u></u> |

I also table the Interim Statement of Ordinary Expenditure for the same fiscal period.

INTERIM STATEMENT OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1951—March 31, 1952

10 Months' Actual—2 Months' Forecast—12 Months

| DEPARTMENT | Gross Ordinary Expenditure | Application of Revenue to Expenditure | Net Ordinary Expenditure |
|---|----------------------------------|---|--------------------------------|
| AGRICULTURE..... | \$ 7,735,000.00 | \$ | \$ 7,735,000.00 |
| ATTORNEY-GENERAL..... | 11,712,000.00 | 406,000.00 | 11,306,000.00 |
| EDUCATION..... | 67,888,000.00 | 185,000.00 | 67,703,000.00 |
| HEALTH..... | 44,980,000.00 | 21,000.00 | 44,959,000.00 |
| HIGHWAYS..... | 52,267,000.00 | ..... | 52,267,000.00 |
| INSURANCE..... | 133,000.00 | ..... | 133,000.00 |
| LABOUR..... | 1,246,000.00 | 10,000.00 | 1,236,000.00 |
| LANDS AND FORESTS..... | 10,725,000.00 | ..... | 10,725,000.00 |
| LIEUTENANT-GOVERNOR..... | 18,000.00 | ..... | 18,000.00 |
| MINES..... | 947,000.00 | 8,000.00 | 939,000.00 |
| MUNICIPAL AFFAIRS..... | 5,558,000.00 | ..... | 5,558,000.00 |
| PLANNING AND DEVELOPMENT..... | 2,553,000.00 | ..... | 2,553,000.00 |
| PRIME MINISTER..... | 259,000.00 | ..... | 259,000.00 |
| PROVINCIAL AUDITOR..... | 228,000.00 | ..... | 228,000.00 |
| PROVINCIAL SECRETARY..... | 1,204,000.00 | ..... | 1,204,000.00 |
| PROVINCIAL TREASURER..... | 3,750,000.00 | 535,000.00 | 3,215,000.00 |
| PUBLIC WELFARE..... | 25,507,000.00 | ..... | 25,507,000.00 |
| PUBLIC WORKS..... | 3,850,000.00 | 3,000.00 | 3,847,000.00 |
| REFORM INSTITUTIONS..... | 8,289,000.00 | 2,334,000.00 | 5,955,000.00 |
| TRAVEL AND PUBLICITY..... | 1,057,000.00 | ..... | 1,057,000.00 |
| STATIONERY ACCOUNT..... | 30,000.00 | ..... | 30,000.00 |
| | <u>\$249,936,000.00</u> | <u>\$ 3,502,000.00</u> | <u>\$246,434,000.00</u> |
| PUBLIC DEBT—Interest, Exchange, etc.... | 28,858,000.00 | 8,401,000.00 | \$ 20,457,000.00 |
| | <u>\$278,794,000.00</u> | <u>\$11,903,000.00</u> | <u>\$266,891,000.00</u> |
| Sinking Fund Instalments..... | 25,276,000.00 | ..... | 25,276,000.00 |
| | <u>\$304,070,000.00</u> | <u>\$11,903,000.00</u> | <u>\$292,167,000.00</u> |

I also table Summary of Ordinary Revenue and Ordinary Expenditure for the Fiscal Year April 1, 1951 to March 31, 1952. This summary shows an interim surplus, after provision for sinking fund, of \$896,000.

SUMMARY

ORDINARY REVENUE AND ORDINARY EXPENDITURE

Fiscal Year April 1, 1951—March 31, 1952

10 Months' Actual—2 Months' Forecast—12 Months

| | |
|---|----------------------|
| Net Ordinary Revenue..... | \$293,063,000.00 |
| Less: Net Ordinary Expenditure (before providing for Sinking Funds).... | 266,891,000.00 |
| Surplus (before providing for Sinking Funds)..... | \$ 26,172,000.00 |
| Less: Provision for Sinking Funds..... | 25,276,000.00 |
| Interim Surplus..... | <u>\$ 896,000.00</u> |

SURPLUS ACCOUNT

An explanation of some length has already been given concerning the policy which we have followed since 1944 in relation to our surplus position. This year, in addition to paying all of the costs of our operations on ordinary account, we have applied \$7,276,000 on old debt and \$18,000,000 against capital expenditure during the year. To this is added a surplus of \$896,000, making an application of \$26,172,000 on old debt and new capital investment for this year. If we had not followed the policy which I have outlined, the Province would now owe \$214.8 million more debt than we have at the present time, involving an additional interest cost, calculated at $3\frac{3}{4}$ per cent, of \$8 million annually.

A statement of Surplus on Ordinary Account for the past three years and an estimate for the current year follows:

SUMMARY OF SURPLUS ON ORDINARY ACCOUNT

Fiscal Year Ending March 31

| | 1949 \$ | 1950 \$ | 1951 \$ | Interim Estimated 1952 \$ |
|--|----------------|----------------|----------------|------------------------------------|
| Net Ordinary Revenue..... | 215,469,613.61 | 228,550,022.27 | 265,272,106.50 | 293,063,000 |
| Less: Net Ordinary Expenditure (before provision for Sinking Funds)..... | 190,706,361.37 | 199,271,373.67 | 228,090,424.26 | 266,891,000 |
| Surplus (before provision for Sinking Funds)..... | 24,763,252.24 | 29,278,648.60 | 37,181,682.24 | 26,172,000 |
| Less: Provision for Sinking Funds..... | 15,550,000.00 | 20,622,000.00 | 21,698,000.00 | 25,276,000 |
| Balance carried to Surplus Account..... | 9,213,252.24 | 8,656,648.60 | 15,483,682.24 | 896,000 |

I also table an Interim Statement of Capital Receipts and a Statement of Capital Payments for the Fiscal Year April 1, 1951 to March 31, 1952.

INTERIM STATEMENT OF CAPITAL RECEIPTS

Fiscal Year April 1, 1951—March 31, 1952

10 Months' Actual—2 Months' Forecast—12 Months

| DEPARTMENT | Gross Capital Receipts | Application of Receipts to Payments | Net Capital Receipts |
|---------------------------|------------------------------|---|----------------------------|
| HIGHWAYS..... | \$ 805,000.00 | \$ | \$ 805,000.00 |
| LABOUR..... | 8,002,000.00 | ..... | 8,002,000.00 |
| LANDS AND FORESTS..... | 2,577,000.00 | ..... | 2,577,000.00 |
| MINES..... | 85,000.00 | ..... | 85,000.00 |
| PROVINCIAL SECRETARY..... | 4,136,000.00 | ..... | 4,136,000.00 |
| PROVINCIAL TREASURER..... | 43,469,000.00 | ..... | 43,469,000.00 |
| PUBLIC WELFARE..... | 25,750,000.00 | 25,750,000.00 | ..... |
| PUBLIC WORKS..... | 11,000.00 | ..... | 11,000.00 |
| | <u>\$84,835,000.00</u> | <u>\$25,750,000.00</u> | <u>\$59,085,000.00</u> |

INTERIM STATEMENT OF CAPITAL PAYMENTS

Fiscal Year April 1, 1951—March 31, 1952

10 Months' Actual—2 Months' Forecast—12 Months

| DEPARTMENT | Gross Capital Payments | Application of Receipts to Payments | Net Capital Payments |
|---------------------------|------------------------------|---|----------------------------|
| AGRICULTURE..... | \$ 10,315,000.00 | \$ | \$ 10,315,000.00 |
| HEALTH..... | 73,000.00 | ..... | 73,000.00 |
| HIGHWAYS..... | 51,900,000.00 | ..... | 51,900,000.00 |
| LABOUR..... | 7,000,000.00 | ..... | 7,000,000.00 |
| LANDS AND FORESTS..... | 2,200,000.00 | ..... | 2,200,000.00 |
| MINES..... | 150,000.00 | ..... | 150,000.00 |
| PROVINCIAL SECRETARY..... | 1,750,000.00 | ..... | 1,750,000.00 |
| PROVINCIAL TREASURER..... | 100,765,000.00 | ..... | 100,765,000.00 |
| PUBLIC WELFARE..... | 25,750,000.00 | 25,750,000.00 | ..... |
| PUBLIC WORKS..... | 11,950,000.00 | ..... | 11,950,000.00 |
| MISCELLANEOUS..... | 50,000.00 | ..... | 50,000.00 |
| | <u>\$211,903,000.00</u> | <u>\$25,750,000.00</u> | <u>\$186,153,000.00</u> |

I now table the statements of Gross Debt, Net Debt, Funded Debt and the Indirect Debt.

PROVINCE OF ONTARIO

DETAIL SUMMARY ACCOUNTING FOR ESTIMATED INCREASE IN GROSS DEBT

For the Fiscal Year to End on March 31, 1952

| | |
|--|------------------|
| Estimated Gross Debt as at March 31, 1952..... | \$834,066,326.91 |
| Gross Debt as at March 31, 1951..... | 697,963,424.22 |

| | |
|--|-------------------------|
| Estimated Increase for the fiscal year to end on March 31, 1952..... | <u>\$136,102,902.69</u> |
|--|-------------------------|

GROSS DEBT INCREASED BY:

Capital Disbursements—

| | |
|---|------------------|
| Disbursements on Highways, Public Buildings, Works, etc..... | \$ 75,308,000.00 |
| Less—Capital Receipts..... | 2,716,000.00 |

\$ 72,592,000.00

| | |
|--|------------|
| Discount on Debentures and Treasury Bills issued during year..... | 846,931.36 |
|--|------------|

Increase in Loans Receivable—

| | |
|--|------------------|
| The Hydro-Electric Power Commis- sion of Ontario..... | \$100,000,000.00 |
| Tile Drainage..... | 373,000.00 |
| Co-operative Marketing Loans..... | 280,000.00 |

100,653,000.00

| | |
|---|--------------|
| Increase in the Ontario Municipal Improvement Corpora- tion—Investments..... | 9,171,924.81 |
|---|--------------|

| | |
|-------------------------------------|--------------|
| Increase in Income Liabilities..... | 1,181,439.06 |
|-------------------------------------|--------------|

\$184,445,295.23

GROSS DEBT DECREASED BY:

| | |
|--|------------------|
| Sinking Fund Instalments charged to Ordinary Expen- diture..... | \$ 25,276,000.00 |
|--|------------------|

| | |
|--|------------|
| Estimated Surplus on Ordinary Account..... | 896,000.00 |
|--|------------|

\$ 26,172,000.00

| | |
|--|------------|
| Discount on Debentures and Treasury Bills, written off.. | 620,000.00 |
|--|------------|

Repayments of Loans Receivable—

| | |
|--|-----------------|
| The Hydro-Electric Power Commis- sion of Ontario..... | \$ 1,732,000.00 |
| Agricultural Development Finance Act Investments..... | 1,604,600.00 |
| Consolidated Revenue Fund In- vestments..... | 10,000,000.00 |
| Miscellaneous..... | 469,200.00 |

13,805,800.00

| | |
|---|--------------|
| Decrease in the Housing Corporation Limited Investments | 1,560,572.20 |
|---|--------------|

| | |
|--|--------------|
| Decrease in Cash on Hand and in Banks..... | 5,962,931.36 |
|--|--------------|

| | |
|---------------------------------|------------|
| Increase in Reserves (Net)..... | 221,088.98 |
|---------------------------------|------------|

48,342,392.54

| | |
|--|-------------------------|
| Estimated Increase for the fiscal year to end on March 31, 1952..... | <u>\$136,102,902.69</u> |
|--|-------------------------|

PROVINCE OF ONTARIO
ESTIMATED INCREASE IN THE NET DEBT

As at March 31, 1952

| | |
|---|-------------------------|
| Estimated as at March 31, 1952: | |
| Estimated Gross Debt..... | \$834,066,326.91 |
| Less—Estimated Revenue Producing and Realizable Assets..... | 264,808,681.09 |
| Estimated Net Debt..... | <u>\$569,257,645.82</u> |
| As at March 31, 1951: | |
| Gross Debt..... | \$697,963,424.22 |
| Less—Revenue Producing and Realizable Assets..... | 176,413,259.84 |
| Net Debt..... | <u>\$521,550,164.38</u> |
| Estimated Increase in Net Debt..... | <u>\$ 47,707,481.44</u> |

THE FUNDED DEBT OF ONTARIO
DETAIL SUMMARY OF ESTIMATED CHANGES

For the Fiscal Year to End on March 31, 1952

As at March 31, 1951 (after deducting Sinking Funds)..... \$582,717,500.00

ADD—Sale of Debentures:

| | | | |
|----|--------------------------------|-----------------|-------------------------|
| BU | 3¼% due May 15, 1971..... | \$50,000,000.00 | |
| BV | 3¼% due September 1, 1972..... | 50,000,000.00 | |
| BW | 4% due December 15, 1961..... | 50,000,000.00 | |
| TI | 4½% due November 1, 1952..... | 6,500,000.00 | |
| | | | 156,500,000.00 |
| | | | <u>\$739,217,500.00</u> |

LESS—Redemptions:

| | | |
|-----|--------------------------------|------------------------|
| AL | 4% due May 15, 1951..... | \$ 773,000.00 |
| AP | 4½% due May 15, 1951..... | 720,000.00 |
| AS | 4% due June 1, 1951..... | 665,000.00 |
| RT | 3% due June 15, 1951..... | 3,227,000.00 |
| BM | 1½% due July 15, 1951..... | 500,000.00 |
| RZ | 2½% due August 1, 1951..... | 1,000,000.00 |
| RS | 3% due November 1, 1951..... | 850,000.00 |
| AK | 4½% due November 1, 1951..... | 800,000.00 |
| AH | 4½% due December 1, 1951..... | 684,000.00 |
| RA | 3% due December 1, 1951..... | 16,948,000.00 |
| RAD | 2½% due December 15, 1951..... | 2,000,000.00 |
| TFB | 3½% due January 1, 1952..... | 1,200,000.00 |
| AJ | 4½% due January 15, 1952..... | 800,000.00 |
| AR | 4½% due January 15, 1952..... | 626,000.00 |
| RB | 3% due January 15, 1952..... | 990,000.00 |
| BN | 1½% due January 15, 1952..... | 1,500,000.00 |
| CF | 2¾% due January 15, 1955..... | 50,000.00 |
| | | <u>\$33,333,000.00</u> |

| | | |
|--|---------------|---------------|
| Increase in Sinking Fund Investments—Current Year. | 25,276,000.00 | 58,609,000.00 |
|--|---------------|---------------|

Estimated as at March 31, 1952 (after deducting Sinking Funds)..... \$680,608,500.00

SUMMARY

| | |
|---|-------------------------|
| New Issues..... | \$156,500,000.00 |
| Less—Redemptions and Increase in Sinking Funds..... | 58,609,000.00 |
| Net Increase in Funded Debt..... | <u>\$ 97,891,000.00</u> |

PROVINCE OF ONTARIO

CONTINGENT LIABILITIES, BONDS, ETC., GUARANTEED BY THE PROVINCE

Estimated as at March 31, 1952

Total as per Public Accounts, March 31, 1951..... \$496,856,710.98

ADD—New Guarantees or Increases for the Fiscal Year to end
on March 31, 1952—

| | | |
|--------------------------------|-----------------|----------------------|
| Power Commission..... | \$80,000,000.00 | |
| Park Commissions..... | 2,500,000.00 | |
| Railways..... | 1,000,000.00 | |
| Co-operative Associations..... | 197,750.00 | |
| | | <u>83,697,750.00</u> |
| | | \$580,554,460.98 |

LESS—Principal Maturities redeemed or to be redeemed,
including redemptions prior to maturity, during the Fiscal
Year to end on March 31, 1952—

| | | |
|----------------------------------|-----------------|---------------------|
| Power Commission..... | \$ 2,799,000.00 | |
| Park Commissions..... | 2,600,600.00 | |
| Railways..... | 678,000.00 | |
| Schools..... | 94,289.21 | |
| Universities..... | 23,794.65 | |
| Ontario Stock Yards Board..... | 35,000.00 | |
| Municipalities..... | 2,709.18 | |
| Ontario Food Terminal Board..... | 537.99 | |
| | | <u>6,233,931.03</u> |
| | | \$574,320,529.95 |

LESS—Sinking Fund Deposits for the Fiscal Year to end on March 31, 1952.... 871.19

Estimated Contingent Liability of the Province as at March 31, 1952..... \$574,319,658.76

SUMMARY

| | |
|---|--------------------------------|
| Estimated Contingent Liability of the Province as at March 31, 1952..... | \$574,319,658.76 |
| Contingent Liability of the Province as at March 31, 1951... | 496,856,710.98 |
| Estimated Increase..... | <u><u>\$ 77,462,947.78</u></u> |

WAYS AND MEANS

In laying plans for the fiscal year commencing April 1, 1952, we are keeping in mind the demands for rearmament with which our nation is charged, and also the necessity of all governments doing their part to control the inflationary tendencies which can have such a detrimental effect on our economy. We are not including any projects which we do not consider vitally necessary for the times in which we live. We must not only keep the matters which I have mentioned constantly in mind but we must also consider that we are in an ever-progressing and expanding economy, and it is our desire to provide for greater opportunities for our citizens and at the same time keep our financial position strong.

In past years in the Budget, a very considerable review has been given of the various departments of Government. This is not being done this year, owing to the fact that each of the Ministers will be giving a comprehensive review of the department over which he presides. Additionally, appended to this Budget, are a number of statements relative to the financial position of the Province, which may be perused by the Members of the House and others who are interested and concerned. This section will, therefore, be confined to an outline of some expanding projects in which the Province is, or will be, engaged.

THE MUNICIPAL POSITION

This important subject has been quite extensively mentioned in each budget presentation for the last eight years, and quite rightly so. Since 1943 we have emphasized the municipal position, and we are again providing increased assistance for the year 1952-53. Grants for primary and secondary schools are being increased by \$6.6 million, which is nearly the amount of all grants for education in 1943. Our educational grants in 1952 will total \$55.4 million. The increases in grants in education may be seen from the fact that in 1950 the amount was \$43.6 million, in 1951, \$48.8 million and this year \$55.4 million.

In 1951-52, our grants to municipalities, covering a wide range of subjects, total approximately \$100 million, in place of \$18 million in 1943. In 1952-53, there will be a further increase of \$19 million. This increase is as much as we paid for everything in 1943. The total grants to municipalities for the coming fiscal year will be \$118.6 million; in other words, an increase of \$100 million in the last nine years. Grants in aid to municipalities now represent about one-third of the ordinary and capital budget of this Province and form a major portion of the increase in our expenditures.

During the past year, two Municipal Committees have been set up, one of them in relation to mining municipalities and the other with very broad powers of enquiry into the whole municipal financial position. In this latter Committee, which has an immense task, considerable progress has been made. This work, however, will cover a long period of time. The Mining Committee has completed its work and we are taking steps in this Budget to deal with the matter of mining taxation in relation to our mining municipalities.

As has been stated on various occasions during the past year, I feel that emphasis should be placed upon grants which are not allotted to any particular service, and indeed many of the present grants might be revised on that basis

with a view to giving to our municipalities more complete autonomy within their field. It is quite true, nonetheless, that unconditional grants have a tendency to encourage expenditures in a way that does not apply to grants which are conditional.

ASSISTANCE TO MINING MUNICIPALITIES

The Government is proposing both a change in the method of providing aid to Northern Ontario mining municipalities and an increase in the amount of assistance.

Since the commencement of mining in the North, mining municipalities have derived their tax revenues from participation in the tax receipts of the Province on mining operations, which since 1943 have been supplemented by grants in aid. Under The Mining Tax Act, mining municipalities were entitled to a prescribed share of the taxes collected by the Province on mining royalties. This method has become out-moded. For instance, a mine within the municipality may employ a large number of men and carry on a considerable operation and yet have no profits and, therefore, pay no taxes to the municipality. On the other hand, a mine may be in an organized territory and have large profits and its employees reside within a municipality which would not be entitled to any taxes.

A new formula is being introduced, which includes several factors—residence of the miners, profits of any mine within the municipal limits, the actual tax rate of the municipality and assumed assessment figures for the homes of miners. The new formula will do justice to the municipalities which are providing the services to the employees.

During this present fiscal year, \$435,000 was paid to the mining municipalities under the provisions of The Assessment Act. This was supplemented by grants in aid to the extent of \$384,000, making a total of \$819,000. Under the new formula, the mining municipalities will receive \$1,300,000, an increase of approximately \$480,000. Provision has been made that no municipality will receive less revenue than under the old system. The municipalities, including the Town of Timmins, the Township of Teck which includes Kirkland Lake, and the City of Sudbury, will generally receive very considerably more than formerly.

This is the first revision of methods of taxation and financing since the present provisions in The Assessment Act were devised nearly fifty years ago. It is a practical and realistic solution to the municipal mining tax problem which has been outstanding for many years.

PAYMENT TO MUNICIPALITIES ON TAX EXEMPT PROVINCIAL PROPERTIES

The Government and the Hydro-Electric Power Commission of Ontario will make payments to municipalities on business properties located within their boundaries in accordance with the taxes levied for general purposes, including local improvements, in the municipalities. The assessment of properties will be made by the Department of Municipal Affairs. The valuation for assessment purposes will in each case be on the same basis as other property

liable for local taxation within the municipality. The municipality will have the right to appeal the assessment before the Ontario Municipal Board.

This provision for payment of taxes will not extend to Crown and forest lands or to educational institutions, hospital or charitable institutions, parks or fish hatcheries, except for local improvements in certain cases, but will extend to Government administrative offices and business establishments such as the Ontario Northland Railway, the Ontario Stock Yards, the Ontario Food Terminal, the Liquor Control Board Stores and buildings, the Provincial Savings Offices, and the like. With Hydro, it will include all similar business offices and establishments, but not plants and transmission lines. Section 41 of The Assessment Act will be amended to provide for the payment of taxes by local utilities on lands and buildings.

The amount of \$2 million is being placed in the estimates to pay Provincial taxes and it is estimated that a further \$2 million will be paid by the Hydro-Electric Power Commission and the Municipal Commissions.

HOUSING

Legislation on housing has already been introduced in this House. It involves a many-sided approach to this problem and extends and strengthens plans now in effect. I earlier made reference to housing construction within this Province. Conditions here are in most cases not comparable with those existing in other provinces. It may be said, however, that this Province from an over-all standpoint has made more progress than have the others.

We have urged the Federal Government to ease the restrictions in connection with private building under national housing. Facilitating private building is, in our belief, the method of getting the greatest number of units constructed. All other Government participations are auxiliary to the efforts of the people themselves. This Government has urged that the down payment should be reduced and that materials should be allotted in cases of shortage to the average type of house.

As Members of this House know, in 1948 the Government entered into what is known as the Second Mortgage Plan which had the effect of reducing the down payment. 14,919 loans were made under this plan, involving the advance of \$16.9 million. These loans have been highly successful. 1,509 have been fully repaid and \$4½ million has been paid from the amounts advanced by the Province. The Second Mortgage Plan was a conspicuous success—so much so that two years ago the Federal Government decided to incorporate the principle of Ontario's second mortgage loan into The National Housing Act by making an additional one-sixth loan. Under the agreement, the Province retired from the field as of December 31, 1949. About a year later, the Federal Government announced that, as part of its efforts to control inflation, the one-sixth additional advance would be discontinued. We are dissenting strongly from this course. On the other hand, we recognize that the fiscal and economic policies to combat inflation are a Federal responsibility.

During the autumn of 1951, the Federal Government restored in some cases the additional advance, but still in a major portion of the field the plan remains suspended. We have felt that this suspension was a mistake and have continued to urge that the one-sixth loan should be reinstated. It must be borne in mind

by Members of the House that credit, interest rates and control of materials are Federal matters. No province can hope to operate successfully in this field, particularly with continually changing conditions. Some suggestion has been made that the Province itself should re-enter this field. I have already reviewed the effects of the changes of Federal Government policy on interest rates and on credit. Present conditions are so entirely different from 1948 when the Province was able to operate in the second mortgage field for about a year and a half, that it would be completely unfeasible to re-enter it.

In addition, there is this important feature. The Federal Government, in its wisdom, has taken steps which are within its jurisdiction to control inflation. For the Province to enter the field in direct opposition to the plans of the Federal Government would, I am quite sure, be regarded as being contrary to the national effort. We maintain that in this regard the decision and the responsibility must be with the Federal Government and, while we may disagree, we shall abide by their decision, with the hope that they at an early date will reverse it and will make not only the one-sixth advances again available, but will also take steps, similar to those for defence projects, to give priorities for materials to housing developments, private or public.

By what I have said, I do not desire it to appear that the Federal Government has been unmindful of our problems. As a matter of fact, the Minister, the Honourable Mr. Winters, and his staff have been co-operative in every way. We can readily acknowledge that only matters of high policy would have influenced their decision in connection with the one-sixth mortgage advances. Despite this, in every field we have worked closely together and we can see that with an understanding approach to this complicated problem very real advances will be made.

Our plans for providing serviced land for housing purposes are meeting with real success. In co-operation with the municipalities, many projects have already been carried out across the Province, and we are sure that these plans will be greatly extended.

May I commend the Federal Government for their participation in the rental housing plan which was started as a pilot plan last June for 5,000 units, with provision to expand it to 25,000 units. As will readily be understood, this plan requires a close partnership with the municipalities and, as was intimated by one of the Members of this House a few days ago, instantaneous results cannot be produced. Every municipality has its problems concerning location, services and other things. Furthermore, this type of housing is new to our people, as well as to ourselves and to the municipalities. Authorities have to be set up. Experience has to be gained. But this plan will prove a very useful auxiliary in providing houses for that segment of our population which is interested in rental units. Already rental projects have been started in St. Thomas, Windsor, Hamilton, Fort William and Prescott, with combinations of land assembly and rental in Brockville, Guelph and Trenton. Negotiations are also under way with North Bay, Peterborough, Port Arthur, Stratford, Sault Ste. Marie and a number of other places.

Reference has already been made in this House to our many-sided approach to this complicated and involved problem and the conditions affecting housing which vary greatly across this great Province. This approach, as has been said, covers the following phases:—

1. Extension and simplification of the land assembly plans.
2. Introduction of the principle of taxes geared to rentals, which can be used as an alternative or in combination with any municipal participation.
3. Broad powers to expropriate.
4. Powers to acquire lands within municipalities for redevelopment in deteriorated areas.
5. Industrial participation.
6. Rural housing.
7. Establishment of young farmers on the land, which is in part a housing problem.
8. A Crown corporation, which will in itself be a loaning institution within the provisions of The National Housing Act, to operate in rural areas.

All of these points are the subject of discussion with the Federal Government which is our partner in the problem. The purpose of both Governments is to assist individuals and municipalities to reduce burdens and to cut red tape.

In this Budget, upwards of \$10 million is being directly placed in the estimates to further these projects. When it is considered that many of these projects are in partnership with the Federal Government, which is the partner to the extent of 75 per cent, it will be seen that this can involve an expenditure of more than \$40 million next year—if such a vast sum can be expended in view of the many involvements, including availability of land, shortages of labour and material and the requirements of private industry in house and other construction work. The \$10 million, however, is not all. There is the extension of Provincial credit for these various housing purposes through the Ontario Housing Corporation and the corporations which will be formed to take the place of the loaning institutions for farm housing and to carry out the provisions of the Ontario Junior Farmer Establishment Act, 1952.

By all of these provisions, we are confident that we shall encourage modern housing in this Province on a wide scale, and that progress will be made in a sound, practical way, which will be well within the capacity of our people to sustain.

ESTABLISHMENT LOANS TO YOUNG FARMERS

While I have already referred to loans to young farmers, I should like to elaborate a little further on this important matter. Everyone recognizes that a prosperous and expanding agricultural Ontario is essential to the high standards of health and living of our people wherever they may be. Our farm work force has been declining, but production has been maintained largely because of the spectacular extensions of rural power to our people. Rural power is, after all, the finest hired hand. Great steps have been taken to provide for more attractive rural life through the extension of rural power, improved highways, snow-ploughed roads, better opportunities for education—equality of opportunity is now a reality—and the extension of all the other benefits to better living obtained through community halls, rural programs, rinks and things of that sort.

Nevertheless, one of our primary objects must be to keep our young people on the farms. The Ontario provision to make loans to junior farmers in no way duplicates the loans made by the Federal Government under their two Acts—The Canadian Farm Loan Act and the Farm Improvement Loans Act. These

Federal acts are designed to serve the needs of established farmers. The loans and assistance we propose to make will be for the purpose of establishing young farmers. The Junior Farmer Establishment Loan Corporation will make loans to qualified young farmers who desire to enter farming as a full-time occupation. The loans may be made to young farmers of age 21 to 35, up to 80 per cent of the value of the farm assets and to a maximum of \$15,000. As I have said before, we are placing the credit of the Province behind this project and, while we are putting in the estimates \$1 million to give effect to the purposes of this Act, it is with the intention of increasing this amount as we are required to do. Again, in the first year of the Act, an organization has to be set up. We are confident, however, that this Act will make a real contribution to maintaining our rural population and not only encourage, but definitely make it possible for young people to take up the great business of agriculture as their lifetime work.

CONSERVATION

The conservation and development of our natural resources of forest, mine, soil and water are of the greatest importance. During the year ending the 31st of this month, increasing emphasis has been placed on this phase of our responsibilities, and we shall have expended over \$13 million. Conservation projects are carried on by a number of departments, including Lands and Forests, Public Works, Agriculture, Highways, Mines, Education and Planning and Development, integrated by a Departmental Committee and now by the Minister of Public Works. The work is on a very extended front. It includes reforestation, forest management, insect control, soil conservation, flood control, exploratory work concerning water tables, drainage, the propagation of game and fish and the protection thereof, the work of the Ontario Research Council and many other phases.

Two more conservation authorities have been established on the Upper Holland and Middle Maitland rivers, bringing the total of such authorities to fifteen. Field assistance has been given to all authorities during the year and in four of the authorities—the Upper Thames, Ausable, Etobicoke-Mimico and Grand—financial assistance in the sum of \$957,500 has been granted. In addition, smaller grants have been given for engineering and general conservation purposes. Reforestation has been undertaken in three of the authorities. During the coming year, additional payments of \$1,404,000 will be made to the Ausable, Thames, Grand and Etobicoke authorities for flood control schemes. Additional surveys are planned in several areas.

While community planning covers a wider field than conservation, nevertheless, it is a factor. Sixteen new Planning Boards have been established, raising the total authorities in the Province to 123, covering all or part of 207 municipalities. Every effort is being made to encourage planning and to secure the development of communities along sound and modern lines.

In the problem of conservation, the Ontario Research Council has been of great value. Conservation and development of natural resources are in the forefront of the work of this Council. In conjunction with the Ontario Research Foundation, industrial researches are under way to give to the development of our natural resources every advantage of science. Controlled density of iron is a case in point. This year the Council awarded from 70 to 80 scholarships to research students, and it is also assisting research in universities and other fields.

Science and research will make a great contribution to the conservation and sound development of our natural resources.

During the coming year, expenditures which are attributable directly to conservation will amount to nearly \$16 million, and many millions of dollars more of expenditures indirectly affecting conservation will be made.

The problem of the Great Lakes water levels and erosion on the Great Lakes shores has been a matter of grave concern to this Government. The Province has no control of Great Lakes water levels which are an international problem involving the governments of Canada and the United States. Erosion control should properly be a problem for those governments. We, however, are urging a joint conference of representatives of the governments of Canada and the United States with our Province and those interested municipalities, in order that a survey of the whole matter be made concerning steps to control the Great Lakes water levels to prevent the damage which is taking place on our shores.

NO NEW TAXES

I am pleased to make the following announcements regarding taxes for the ensuing year:

There will be no new taxes.

There will be no increase in the rates of present taxes.

There will be slight reductions in some tax rates achieved through an adjustment of depreciation rates for corporations, a lowering of the rates of Race Tracks Tax and some other minor changes.

Corporation Tax

Depreciation allowances under the income tax sections of our Corporations Tax Act are being revised to conform to the depreciation provisions of the Federal Income Tax Act.

Race Tracks Tax

The rate of pari-mutuel tax is being reduced by the amount of 2 per cent in each bracket, thus reducing the combined Provincial tax and the proportion retained by each track to 17 per cent, instead of the 19 per cent that prevailed last year. This is being done to curb illegal betting.

During the 1951 racing season, this tax added to the percentage of the amount wagered to which each track is entitled under the Criminal Code, made a total withdrawal from the amount staked or deposited on each race as follows:

| Total Amount Staked or Deposited on Each Race | Provincial Tax Percentage | Percentage Retained by Race Track | Total |
|--|---------------------------------|---|-------|
| On the first \$20,000 or part thereof..... | 10% | 9% | 19% |
| On the next \$10,000 or part thereof..... | 11% | 8% | 19% |
| On the next \$10,000 or part thereof..... | 12% | 7% | 19% |
| On the next \$10,000 or part thereof..... | 13% | 6% | 19% |
| In excess of \$50,000..... | 14% | 5% | 19% |

For the 1952 racing season, the Government's percentage has been reduced by the amount of 2%. The tax will, therefore, be:

| Total Amount Staked or Deposited on Each Race | Provincial Tax Percentage | Percentage Retained by Each Track | Total |
|--|---------------------------------|---|-------|
| On the first \$20,000 or part thereof..... | 8% | 9% | 17% |
| On the next \$10,000 or part thereof..... | 9% | 8% | 17% |
| On the next \$10,000 or part thereof..... | 10% | 7% | 17% |
| On the next \$10,000 or part thereof..... | 11% | 6% | 17% |
| In excess of \$50,000..... | 12% | 5% | 17% |

FORECAST OF REVENUE AND EXPENDITURE

We are estimating the net ordinary revenue of the Government for the fiscal year 1952-53 at \$291.1 million and the net ordinary expenditure before provision for sinking funds at \$281.6 million. We are providing for sinking fund \$9.4 million, leaving us with an estimated surplus of \$88,000.

We are budgeting for a revenue of \$89 million from corporation taxes. This item, of course, depends upon corporation profits, and we are budgeting intentionally at a safe level. The amount may exceed this. If it does, it is our intention in accordance with our 1944 policy, to apply this excess, and indeed any other additional excess of revenue, to the reduction of capital expenditures made during the year. We are budgeting for a revenue of \$36 million from Liquor Control Board profits, \$75 million from gasoline tax, and \$21.0 million from motor vehicle licences.

The largest items on the expenditure side are education, \$72.1 million, which is \$9.0 million higher than the appropriation last year; highways, \$54 million on ordinary account and \$46 million on capital, or a total of \$100 million, \$5.8 million more than the amount appropriated in the last Budget; health, \$42.9 million; and welfare, \$25.8 million. The estimates include capital expenditures of \$19.5 million for public works and \$11.0 million for rural power extensions.

While we are budgeting for revenues of \$291.1 million, I should again like to stress that there are many uncertainties ahead. We think that our estimates have been predicated, as always, on safe grounds. Federal policies, of course, may affect these. Any new taxation in fields occupied by the Province, or the further tightening of commodity restrictions and credit restraints could have very far-reaching effects. Last year in the Legislature, I referred to the chaotic effects produced by the Federal increases in excise duties and taxes on spirits and beer in the autumn of 1950. I again state that, in arriving at a fair division of tax fields, the Federal Government should give to the provinces the whole field of taxation on alcoholic beverages. The provinces are confronted with the responsibility of administration, control, enforcement and, in fact, everything else connected with this great problem. The Federal Government, as I indicated last year, is deriving very much more in taxation from this source than are the provinces. I suggest again that the Federal Government would do well, in agreement with the provinces, to vacate this field by progressive steps and leave it exclusively with the provinces which have to deal with the whole problem.

BUDGET FORECAST FOR FISCAL YEAR 1952-53

With your permission I now place on the records of the House the budget forecast of Ordinary Revenue, Ordinary Expenditure, Summary, Capital Receipts and Capital Payments for the fiscal year April 1st, 1952 to March 31st, 1953 and I forecast a surplus of \$88,000.

BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1952—March 31, 1953

| DEPARTMENT | Gross Ordinary Revenue | Application of Revenue to Expenditure | Net Ordinary Revenue |
|---|------------------------------|---|----------------------------|
| AGRICULTURE..... | \$ 815,000.00 | \$ | \$ 815,000.00 |
| ATTORNEY-GENERAL..... | 2,998,000.00 | 499,000.00 | 2,499,000.00 |
| EDUCATION..... | 1,980,000.00 | 275,000.00 | 1,705,000.00 |
| HEALTH..... | 4,831,000.00 | 520,000.00 | 4,311,000.00 |
| HIGHWAYS: | | | |
| Main Office and Branch..... | 30,000.00 | ..... | 30,000.00 |
| Gasoline Tax Branch..... | 75,000,000.00 | ..... | 75,000,000.00 |
| Motor Vehicles Branch..... | 21,000,000.00 | ..... | 21,000,000.00 |
| | <u>\$ 96,030,000.00</u> | <u>\$</u> | <u>\$ 96,030,000.00</u> |
| INSURANCE..... | \$ 311,000.00 | \$ | \$ 311,000.00 |
| LABOUR..... | 258,000.00 | 12,000.00 | 246,000.00 |
| LANDS AND FORESTS..... | 18,175,000.00 | ..... | 18,175,000.00 |
| MINES..... | 4,582,000.00 | 8,000.00 | 4,574,000.00 |
| MUNICIPAL AFFAIRS..... | 435,000.00 | ..... | 435,000.00 |
| PRIME MINISTER..... | 70,000.00 | ..... | 70,000.00 |
| PROVINCIAL SECRETARY..... | 655,000.00 | ..... | 655,000.00 |
| PROVINCIAL TREASURER: | | | |
| Main Office—Subsidy..... | 3,641,000.00 | ..... | 3,641,000.00 |
| Interest..... | 71,000.00 | ..... | 71,000.00 |
| Liquor Control Board—Profits..... | 36,000,000.00 | ..... | 36,000,000.00 |
| Transfer Fees..... | 600,000.00 | ..... | 600,000.00 |
| Province of Ontario Savings Office..... | 580,000.00 | 580,000.00 | ..... |
| Provincial Share of Taxes collected from privately owned Corporations operat- ing Public Utilities..... | 670,000.00 | ..... | 670,000.00 |
| Controller of Revenue: | | | |
| Hospitals Tax..... | 6,000,000.00 | ..... | 6,000,000.00 |
| Succession Duty..... | 16,000,000.00 | ..... | 16,000,000.00 |
| Corporations Tax..... | 89,000,000.00 | ..... | 89,000,000.00 |
| Race Tracks Tax..... | 4,000,000.00 | ..... | 4,000,000.00 |
| Security Transfer Tax..... | 1,200,000.00 | ..... | 1,200,000.00 |
| Land Transfer Tax..... | 1,800,000.00 | ..... | 1,800,000.00 |
| Law Stamps..... | 800,000.00 | ..... | 800,000.00 |
| Logging Tax..... | 500,000.00 | ..... | 500,000.00 |
| Motion Picture Censorship and Theatre Inspection Branch..... | 262,000.00 | ..... | 262,000.00 |
| | <u>\$161,124,000.00</u> | <u>\$ 580,000.00</u> | <u>\$160,544,000.00</u> |
| PUBLIC WORKS..... | \$ 40,000.00 | \$ 3,000.00 | \$ 37,000.00 |
| REFORM INSTITUTIONS..... | 3,066,000.00 | 2,500,000.00 | 566,000.00 |
| MISCELLANEOUS..... | 100,000.00 | ..... | 100,000.00 |
| | <u>\$295,470,000.00</u> | <u>\$ 4,397,000.00</u> | <u>\$291,073,000.00</u> |
| PUBLIC DEBT—Interest, Exchange, etc.... | 8,826,000.00 | 8,826,000.00 | ..... |
| | <u>\$304,296,000.00</u> | <u>\$13,223,000.00</u> | <u>\$291,073,000.00</u> |

BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1952—March 31, 1953

| DEPARTMENT | Gross Ordinary Expenditure | Application of Revenue to Expenditure | Net Ordinary Expenditure |
|---|----------------------------------|---|--------------------------------|
| AGRICULTURE..... | \$ 8,592,000.00 | \$ | \$ 8,592,000.00 |
| ATTORNEY-GENERAL..... | 10,699,000.00 | 499,000.00 | 10,200,000.00 |
| EDUCATION..... | 72,418,000.00 | 275,000.00 | 72,143,000.00 |
| HEALTH..... | 43,441,000.00 | 520,000.00 | 42,921,000.00 |
| HIGHWAYS..... | 54,000,000.00 | ..... | 54,000,000.00 |
| INSURANCE..... | 145,000.00 | ..... | 145,000.00 |
| LABOUR..... | 1,486,000.00 | 12,000.00 | 1,474,000.00 |
| LANDS AND FORESTS..... | 12,500,000.00 | ..... | 12,500,000.00 |
| LIEUTENANT-GOVERNOR..... | 20,000.00 | ..... | 20,000.00 |
| MINES..... | 1,058,000.00 | 8,000.00 | 1,050,000.00 |
| MUNICIPAL AFFAIRS..... | 9,293,000.00 | ..... | 9,293,000.00 |
| PLANNING AND DEVELOPMENT..... | 1,850,000.00 | ..... | 1,850,000.00 |
| PRIME MINISTER..... | 282,000.00 | ..... | 282,000.00 |
| PROVINCIAL AUDITOR..... | 248,000.00 | ..... | 248,000.00 |
| PROVINCIAL SECRETARY..... | 1,414,000.00 | ..... | 1,414,000.00 |
| PROVINCIAL TREASURER..... | 5,118,000.00 | 580,000.00 | 4,538,000.00 |
| PUBLIC WELFARE..... | 25,842,000.00 | ..... | 25,842,000.00 |
| PUBLIC WORKS..... | 4,660,000.00 | 3,000.00 | 4,657,000.00 |
| REFORM INSTITUTIONS..... | 8,355,000.00 | 2,500,000.00 | 5,855,000.00 |
| TRAVEL AND PUBLICITY..... | 1,495,000.00 | ..... | 1,495,000.00 |
| MISCELLANEOUS..... | 100,000.00 | ..... | 100,000.00 |
| | <u>\$263,016,000.00</u> | <u>\$ 4,397,000.00</u> | <u>\$258,619,000.00</u> |
| PUBLIC DEBT—Interest, Exchange, etc.... | 31,833,000.00 | 8,826,000.00 | 23,007,000.00 |
| | <u>\$294,849,000.00</u> | <u>\$13,223,000.00</u> | <u>\$281,626,000.00</u> |
| PUBLIC DEBT—Sinking Fund Instalments. | 9,359,000.00 | ..... | 9,359,000.00 |
| | <u>\$304,208,000.00</u> | <u>\$13,223,000.00</u> | <u>\$290,985,000.00</u> |

SUMMARY

BUDGET FORECAST

Fiscal Year April 1, 1952—March 31, 1953

| | |
|---|---------------------|
| Net Ordinary Revenue..... | \$291,073,000.00 |
| Less: Net Ordinary Expenditure (before providing for Sinking Funds).... | 281,626,000.00 |
| Surplus (before providing for Sinking Funds)..... | \$ 9,447,000.00 |
| Less: Provision for Sinking Funds..... | 9,359,000.00 |
| Surplus Forecast..... | <u>\$ 88,000.00</u> |

BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1952—March 31, 1953

| DEPARTMENT | Gross Capital Receipts | Application of Receipts to Payments | Net Capital Receipts |
|---------------------------|------------------------------|---|----------------------------|
| HIGHWAYS..... | \$ 755,000.00 | ..... | \$ 755,000.00 |
| LABOUR..... | 9,500,000.00 | ..... | 9,500,000.00 |
| LANDS AND FORESTS..... | 3,175,000.00 | ..... | 3,175,000.00 |
| MINES..... | 75,000.00 | ..... | 75,000.00 |
| PROVINCIAL SECRETARY..... | 4,191,000.00 | ..... | 4,191,000.00 |
| PROVINCIAL TREASURER..... | 24,732,000.00 | ..... | 24,732,000.00 |
| PUBLIC WELFARE..... | 6,520,000.00 | 6,520,000.00 | ..... |
| | <u>\$48,948,000.00</u> | <u>\$6,520,000.00</u> | <u>\$42,428,000.00</u> |

BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1952—March 31, 1953

| DEPARTMENT | Gross Capital Payments | Application of Receipts to Payments | Net Capital Payments |
|-------------------------------|------------------------------|---|----------------------------|
| AGRICULTURE..... | \$ 11,250,000.00 | \$ | \$ 11,250,000.00 |
| HEALTH..... | 2,000,000.00 | ..... | 2,000,000.00 |
| HIGHWAYS..... | 45,000,000.00 | ..... | 45,000,000.00 |
| LABOUR..... | 9,500,000.00 | ..... | 9,500,000.00 |
| LANDS AND FORESTS..... | 1,900,000.00 | ..... | 1,900,000.00 |
| MINES..... | 1,000,000.00 | ..... | 1,000,000.00 |
| PLANNING AND DEVELOPMENT..... | 7,500,000.00 | ..... | 7,500,000.00 |
| PROVINCIAL SECRETARY..... | 2,150,000.00 | ..... | 2,150,000.00 |
| PROVINCIAL TREASURER..... | 2,924,000.00 | ..... | 2,924,000.00 |
| PUBLIC WELFARE..... | 6,520,000.00 | 6,520,000.00 | ..... |
| PUBLIC WORKS..... | 19,525,000.00 | ..... | 19,525,000.00 |
| MISCELLANEOUS..... | 150,000.00 | ..... | 150,000.00 |
| | <u>\$109,419,000.00</u> | <u>\$ 6,520,000.00</u> | <u>\$102,899,000.00</u> |

SUMMARY

Mr. Speaker: Before concluding my address, I should like to take a few moments to summarize our accomplishments of the present fiscal year and our program for the next year.

1. We are continuing the "pay as you go" policy which I outlined in my first Budget Address in March, 1944. This year we have allocated \$25,276,000 to sinking fund, leaving a surplus on ordinary account of \$896,000.

2. We are budgeting for a surplus in 1952-53.

3. This will be the Government's tenth consecutive surplus on ordinary account since it assumed office in 1943.

4. We are neither raising rates of tax nor imposing new taxes; we are making some tax reductions.

5. Taxes will hereafter be paid on Provincial and Hydro properties; \$2 million is being placed in the Provincial Estimates and an additional \$2 million is being provided by Ontario Hydro and Municipal Commissions for this purpose.

6. A new formula in respect to payments to mining municipalities will be introduced in the coming fiscal year, increasing payments to such municipalities by \$1½ million.

7. \$10 million is being provided in the Estimates to carry out various housing projects.

8. The Province's Housing Corporation will make loans for rural home construction.

9. The Province will make loans to assist young farmers to establish themselves on farms.

10. Special capital grants of \$5¾ million are being paid out to the teaching hospitals for modernization and improvement of facilities and equipment before the end of this fiscal year.

11. Distribution of a special maintenance assistance grant of \$1½ million to the general hospitals will also be made before the end of this fiscal year.

12. In addition to the regular maintenance grants amounting to \$5.7 million, we shall pay to the universities this year special additional grants of \$2.3 million for general capital improvement purposes. The following are the maintenance grants for this year plus the capital grants, totalling \$8.0 million:

| | Maintenance | Special Capital |
|------------------------------------|-------------------|--------------------|
| University of Toronto..... | \$4,187,000 | \$ 900,000 |
| Queen's University..... | 550,000 | 400,000 |
| University of Western Ontario..... | 550,000 | 400,000 |
| McMaster University..... | 150,000 | 250,000 |
| University of Ottawa..... | 150,000 | 250,000 |
| Carleton College..... | 100,000 | 100,000 |
| | <hr/> \$5,687,000 | <hr/> \$2,300,000 |
| | <hr/> | <hr/> |

13. Including the special capital grants advanced this year only, grants payable to municipalities and local agencies for education, roads, hospitals and other purposes total over \$105 million in 1951-52.

14. In 1952-53, grants to all municipalities and associated bodies will amount to almost \$119 million, \$19 million more than in the present year, excluding special capital grants. Grants for roads are up \$7 million and for education \$6½ million. The total of these grants now represents one-third of the ordinary and capital budget of the Province.

15. We spent more than \$13 million on conservation in 1951-52; nearly \$16 million will be spent next year.

16. During the 1951 calendar year, the bonus paid on rural power extensions to bring the benefits of electricity to the rural areas of Ontario resulted in 3,400 miles of line being constructed and 25,795 new customers supplied with power. Since October 1943, 18,111 miles of line have been added and 182,442 new consumers served, more than doubling rural power operations.

17. To improve telephone service in rural Ontario, we paid the Ontario Hydro this year \$35,000, and we are placing in next year's Estimates for this purpose the amount of \$50,000.

18. During the present fiscal year, 273 new schools or substantial additions to old schools will be completed at a cost of \$45 million. These additions will provide accommodation for 40,000 new pupils, making an investment of more than \$1,100 per new pupil.

19. In the field of health, the hospitals of the Province, with the help of capital grants paid by the Government, will have added 1,885 new beds and 340 new nursery cubicles to their facilities during the fiscal year 1951-52.

20. As a result of the mutual co-operation between the Dominion Government and the Province, old age pensions have become payable without a means test to all persons 70 and over. Those between 65 and 69 are eligible on a means test. The Province administers the payments to the 65 to 69 age group and pays half their pensions. The Province also provides medical services.

21. The cost of homes for the aged, completed or being built, totals \$10 million.

22. In the educational field, schools for Grade IX and X pupils will now receive grants of \$3 per pupil for free text books.

23. The Department of Education appropriation for 1952-53 is \$72.1 million, \$9.0 million higher than the appropriation last year.

24. The Government will provide allowances for disabled persons.

25. Capital construction and maintenance grants to public general hospitals will reach \$12.7 million in 1952-53, an increase of \$2 million over the 1951-52 fiscal year appropriation.

26. Expenditure for Ontario mental hospitals will be \$16.5 million, \$2 million more than for 1951-52.

27. In addition to paying all costs on ordinary account, we have this year provided for the sinking fund instalment of \$7,276,000 on the old debt and applied \$18,896,000 against capital expenditures made during the year.

28. Had we not adhered to this policy of retiring old debt and meeting part of the cost of capital construction out of current revenue, the net debt would now be \$214.8 million higher, involving an additional interest charge of \$8 million annually.

29. Highway expenditures, including ordinary and capital expenditure and grants to municipalities for 1951-52 amount to \$104 million, \$12 million more than estimated revenue from gasoline tax and motor vehicle licences.

30. Capital expenditure, representing investment in highways, buildings, special conservation projects, rural power extensions and other physical assets, totals \$72.6 million in 1951-52.

31. The Province raised \$100 million in New York for Hydro and guaranteed Hydro issues of \$80 million in the Canadian market. It also entered into the Canadian market for an issue of \$50 million for its own purposes, principally for refunding.

32. We are calling for redemption on May 1, 1952, three years before maturity, the series RN $3\frac{1}{4}$ per cent issue of \$15 million.

33. The second stage in the programme of aerial photographing and mapping of Ontario's forests has begun. The total area covered is now 165,000 square miles. The Ontario and Federal governments will share fifty-fifty the cost of surveying the more northerly and southerly parts of the Province, covering 105,000 square miles.

34. 185 million board feet of lumber has been salvaged from the burned-over Mississagi forest reserve.

35. We have kept Ontario's credit bright and clean. We can face with complete confidence the St. Lawrence Seaway and Power project and any other development the Province desires to undertake.

CONCLUSION

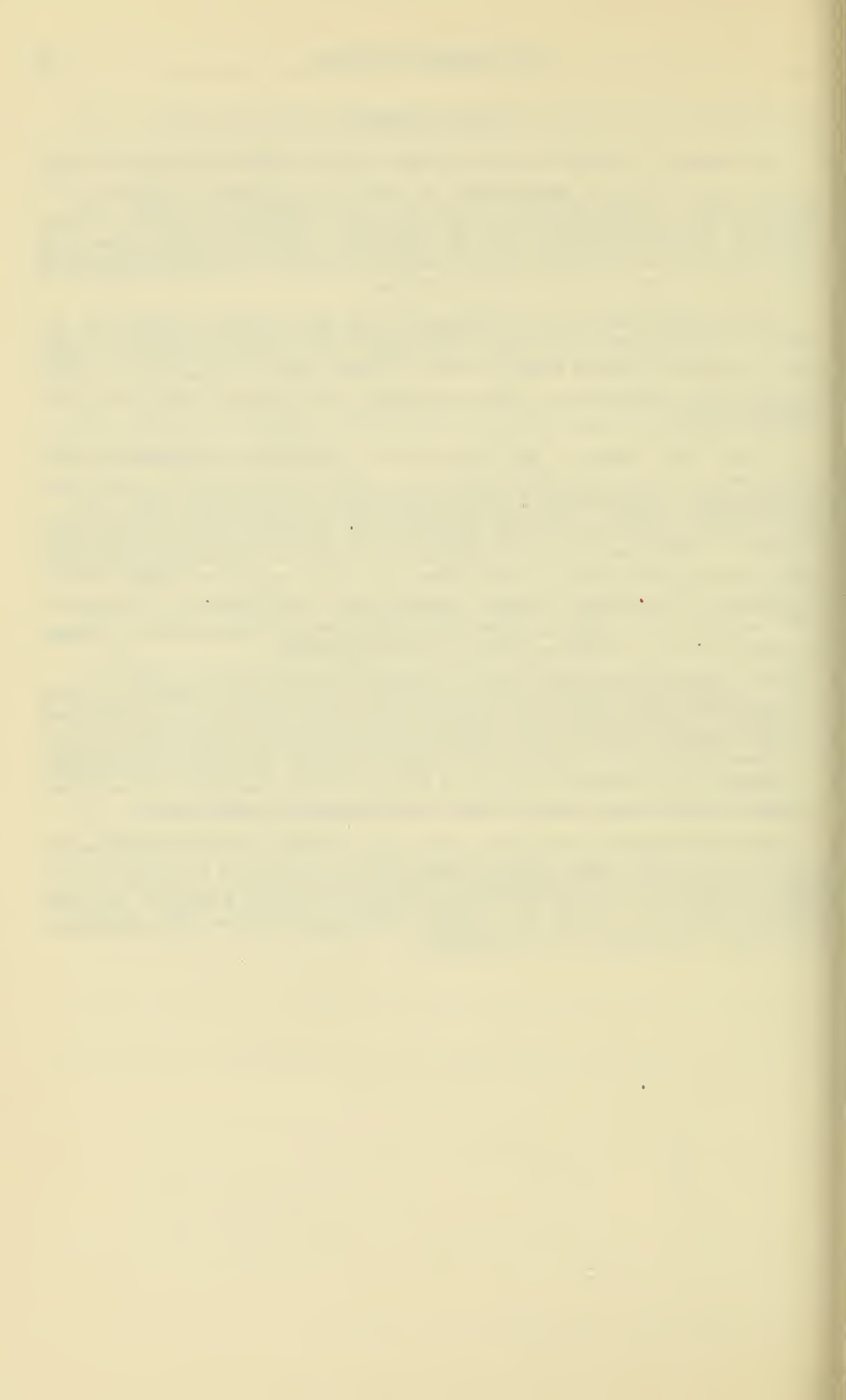
Mr. Speaker: In these times of sudden and unpredictable changes we dare not fail to recognize our responsibility as the largest and most prosperous of all the provinces of this great Dominion. We must conserve our credit and our resources to the end that we may be prepared to meet any reverses that may come with little or no warning and to fulfill our proper role in the progress and development of this Province and this Nation.

We in Ontario must ever be mindful of the fact that the prosperity of this Canada of ours is all of one piece—indivisible. We cannot morally or wisely grasp prosperity with one hand and with the other strive to impede the progress of our brother Canadians in other provinces. As Ontario prospers, so must Canada prosper.

In this First Session of the Twenty-fourth Legislature of the Province, we enter upon a new era—the Elizabethan era. The torch that fell from the hands of Her Father, whose career was one of goodness, courage and of devotion to duty, has been caught up by His Daughter, Our Gracious Queen Elizabeth the Second. It is for us, Her loyal subjects, a matter of thanksgiving that our Queen takes up the torch at a time when the words uttered by William Pitt in the House of Commons in another period of trial and difficulty, in November, 1797, only five years after our then infant province took form, have a present day application in Canada as well as in the Motherland:—

“There is one great resource, which I trust will never abandon us, and which has shone forth in the British character, by which we have preserved our existence and fame as a nation, which we shall be determined never to abandon under any extremity, but shall join heart and hand in the solemn pledge that is proposed to us, and declare to His Majesty, ‘that we know great exertions are wanted; that we are prepared to make them. . . .’”

And, Mr. Speaker, in all events, like Pitt in his day, we are determined to stand or fall by the laws, liberties and religious and moral traditions of our people. May the new Elizabethan era, ushered in during a time of trial and testing in which our people will not fail, become one of the great periods of Peace and of Betterment for all mankind.



APPENDIX I
ECONOMIC DATA

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POPULATION

Since 1939, Ontario's population has grown by 24.0 per cent, rising from 3,708,000 to 4,597,542 in 1951. Over this same period the number of live births rose from 64,123 to an all time high of 116,193 in 1951, an increase of 52,070, or 81.2 per cent. The natural increase (births less deaths) totalled 26,593 in 1939, rose to 67,234 in 1947 and climbed to a record 71,223 in 1951.

Ontario's birth rate per 1,000 population increased from 17.3 in 1939 to a high of 26.1 in 1947 and, after a moderate decline, rose to 25.3 in 1951. Ontario's natural increase rate exhibits a pattern similar to that of the birth rate. In 1939, Ontario's rate of natural increase was 7.2 per thousand population. By 1943 it had reached 10.2 and in 1947 established a high of 16.1. Thereafter, the natural increase rate declined to an average of slightly more than 14.4 for the next three years and then jumped to 15.5 in 1951.

In 1951, Ontario's birth registrations were 7 per cent above those of a year ago; Quebec's registered an increase of one-tenth of 1 per cent and Canada's 3 per cent. Ontario's natural increase totalled over 71,000, about 7,000 more than the previous year and 4,000 more than the previous high in 1947. Both the rate of births and natural increase approximated the highest level this Province has experienced in the last fifty years.

POPULATION IN ONTARIO AND CANADA
BY DECENNIAL CENSUS YEARS, 1901-1951¹

| Year | Ontario | | | Canada | | |
|------|---------------------|-----------------------------|-----------------------------|---------------------|-----------------------------|-----------------------------|
| | Population (000) | Increase Amount (000) | Increase Percentage % | Population (000) | Increase Amount (000) | Increase Percentage % |
| 1901 | 2,183 | 69 | 3.3 | 5,371 | 538 | 11.1 |
| 1911 | 2,527 | 344 | 15.8 | 7,207 | 1,836 | 34.2 |
| 1921 | 2,934 | 407 | 16.1 | 8,788 | 1,581 | 21.9 |
| 1931 | 3,432 | 498 | 17.0 | 10,377 | 1,589 | 18.1 |
| 1941 | 3,788 | 356 | 10.4 | 11,507 | 1,130 | 10.9 |
| 1951 | 4,598 | 810 | 21.4 | 14,009 | 2,502 | 21.7 |

¹Canada Year Book 1951 and D.B.S. Memorandum, February, 1952.

ONTARIO'S POPULATION, BIRTHS, DEATHS & NATURAL INCREASE, 1939 TO 1951¹

| Year | Population (000) | Births | Birth Rate per 1,000 Population | Deaths | Natural Increase | Natural Increase Rate per 1,000 Population |
|------|---------------------|---------|---------------------------------------|--------|---------------------|---|
| 1939 | 3,708 | 64,123 | 17.3 | 37,530 | 26,593 | 7.2 |
| 1940 | 3,747 | 68,524 | 18.3 | 38,503 | 30,021 | 8.0 |
| 1941 | 3,788 | 72,262 | 19.1 | 39,226 | 33,036 | 8.7 |
| 1942 | 3,884 | 78,192 | 20.1 | 39,119 | 39,073 | 10.1 |
| 1943 | 3,915 | 81,173 | 20.7 | 41,063 | 40,110 | 10.2 |
| 1944 | 3,963 | 78,090 | 19.7 | 39,781 | 38,309 | 9.7 |
| 1945 | 4,000 | 78,974 | 19.7 | 39,499 | 39,475 | 9.9 |
| 1946 | 4,093 | 97,446 | 23.8 | 39,758 | 57,688 | 14.1 |
| 1947 | 4,176 | 108,853 | 26.1 | 41,619 | 67,234 | 16.1 |
| 1948 | 4,275 | 104,195 | 24.4 | 42,364 | 61,831 | 14.5 |
| 1949 | 4,378 | 106,601 | 24.3 | 43,379 | 63,222 | 14.4 |
| 1950 | 4,471 | 108,741 | 24.3 | 43,895 | 64,846 | 14.5 |
| 1951 | 4,598 | 116,193 | 25.3 | 44,970 | 71,223 | 15.5 |

¹Population figures were taken from D.B.S. Memorandum, February 1952 and Ontario Annual Report, December 1949 and D.B.S. Report, Births, Marriages and Deaths in Canada, December, 1951.

IMMIGRANT ARRIVALS, ONTARIO AND CANADA²

The return of peace in 1945 was followed by a renewed flow of immigration to Canada. The volume of immigration swelled until in 1948 over 125,000 immigrants entered the country, of whom 61,621 settled in Ontario. For the next two years immigration lagged, but in 1951 it jumped to a level which has not been seen in either Canada or Ontario since the mass immigration years immediately preceding the First World War. In 1951, over 194,000 immigrants entered Canada. Of these, nearly 105,000, or 53.9 per cent, gave Ontario as their destination. To find anything comparable, it is necessary to go back to 1913-14, when 120,497 immigrants entered Ontario, but only a portion of them stayed. During the period 1946-1951, Ontario received over 319,000 immigrants, or 51 per cent of the total for Canada.

| Calendar Year | Canada | | | | Immigrants Giving Ontario As Their Destination | Ontario % Canada |
|------------------|--------|--------|--------------------|---------|--|------------------------|
| | U.K. | U.S. | Other Countries | Total | | |
| 1939 | 3,098 | 5,654 | 8,242 | 16,994 | 5,957 | 35.1 |
| 1945 | 10,853 | 6,394 | 5,475 | 22,722 | 9,342 | 41.1 |
| 1946 | 50,984 | 11,474 | 9,261 | 71,719 | 29,604 | 41.3 |
| 1947 | 35,957 | 9,444 | 18,726 | 64,127 | 35,543 | 55.4 |
| 1948 | 43,724 | 7,393 | 74,297 | 125,414 | 61,621 | 49.1 |
| 1949 | 22,201 | 7,744 | 65,272 | 95,217 | 48,607 | 51.0 |
| 1950 | 13,427 | 7,799 | 52,686 | 73,912 | 39,041 | 52.8 |
| 1951 | 31,370 | 7,732 | 155,289 | 194,391 | 104,842 | 53.9 |

²Immigration 1939-1947, Canada Year Book, 1950, p. 186; 1948-1951, Statements issued by The Department of Citizenship and Immigration, Ottawa.

HOUSING STARTS, COMPLETIONS AND CARRY-OVERS IN ONTARIO¹

Since 1945, the number of completions of new residential housing units in Ontario has increased by two and one-half times from 13,100 units to 31,732 units in 1951. Total completions of new housing, including conversions, has jumped from 15,100 units in 1945 to 32,705 units in 1951.

| Year | | Starts | Completions | | | Carry-Over |
|-----------------------------------|------------|--------|-------------|-------------|---------|------------|
| | | | New Units | Conversions | Total | |
| 1945 | Total..... | N.A. | 13,100 | 2,000 | 15,100 | N.A. |
| 1946 | Total..... | N.A. | 19,600 | 1,700 | 21,300 | 12,706 |
| 1947 | Total..... | N.A. | 22,500 | 2,200 | 24,700 | 17,243 |
| 1948 | Total..... | 29,976 | 26,391 | 2,273 | 28,664 | 21,112 |
| | Urban..... | 21,547 | 18,207 | | | 16,382 |
| | Rural..... | 8,429 | 8,184 | | | 4,730 |
| 1949 | Total..... | 34,023 | 31,440 | 1,264 | 32,704 | 23,585 |
| | Urban..... | 23,107 | 23,144 | | | 16,270 |
| | Rural..... | 10,916 | 8,296 | | | 7,315 |
| 1950 | Total..... | 33,430 | 31,318 | 1,178 | 32,496 | 24,331 |
| | Urban..... | 28,428 | 24,267 | | | 19,740 |
| | Rural..... | 5,002 | 7,051 | | | 4,591 |
| 1951 | Total..... | 27,349 | 31,732 | 973 | 32,705 | 19,258 |
| | Urban..... | 21,680 | 26,530 | | | 13,159 |
| | Rural..... | 5,669 | 5,202 | | | 6,099 |
| Total 1945 to 1951 inclusive..... | | | | | 187,669 | |

¹ Data of the number of dwelling units completed in Canada during 1945, 1946 and 1947 are based on returns received by the Dominion Bureau of Statistics from 623 municipalities out of a total of 3,845. These 623 municipalities had approximately 66 per cent of the total population of incorporated municipalities. The number of dwelling units completed as reported in these returns is increased by an estimate of the probable completions in municipalities from which returns were not received. The Dominion Bureau of Statistics only provides figures by provinces in these years of the actual completions reported. As this method leads to an obvious understatement of the completions in the provinces, the number of completions in Ontario for the years 1945 to 1947 has been increased above the actual number reported by the same ratio as the estimates for Canada have been increased above the actual number reported. Completions of dwelling units in Ontario during the years 1948 to 1951 have been estimated by the Dominion Bureau of Statistics from the results of a nation-wide survey carried out each month by the Bureau with the co-operation of Central Mortgage and Housing Corporation.

PERSONAL INCOME IN ONTARIO AND CANADA¹

Since 1939, personal income in Ontario has increased by more than three and one-half times, rising from \$1.8 billion to an estimated \$6.3 billion in 1951. Over the same period personal income in Canada rose from \$4.3 billion to \$15.9 billion in 1951.

Ontario's share of the Canadian personal income reached a high of 42.8 per cent in the war year of 1941 and then gradually declined until a low of 38.6 per cent was reached in post war 1948. Since then, Ontario's share of the nation's personal income has risen to 39.7 per cent.

| Year | Ontario (Amount) (millions of dollars) | Canada (Amount) (millions of dollars) | Ontario as % Canada |
|-----------|--|---|---------------------------|
| 1939..... | 1,766 | 4,320 | 40.9 |
| 1940..... | 2,059 | 4,947 | 41.6 |
| 1941..... | 2,522 | 5,896 | 42.8 |
| 1942..... | 3,002 | 7,475 | 40.2 |
| 1943..... | 3,367 | 8,176 | 41.2 |
| 1944..... | 3,566 | 9,002 | 39.6 |
| 1945..... | 3,729 | 9,239 | 40.4 |
| 1946..... | 3,821 | 9,761 | 39.1 |
| 1947..... | 4,068 | 10,390 | 39.2 |
| 1948..... | 4,608 | 11,943 | 38.6 |
| 1949..... | 4,953 | 12,757 | 38.8 |
| 1950..... | 5,327 | 13,417 | 39.7 |
| 1951..... | 6,300 ² | 15,859 | 39.7 |

¹ National Accounts, Income and Expenditure 1926-1950, p. 62.

² Estimated.

WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME¹

Wages, salaries and supplementary labour income rose to a new peak in 1951. In Ontario, preliminary estimates show that wages and salaries rose to nearly \$4.2 billion, an increase of 18.9 per cent over 1950.

On a per capita basis, wages and salaries continue to remain on a substantially higher level in Ontario than in Canada as a whole. In 1951, estimated wages and salaries amounted to \$905 for every person in the Province compared with \$690 for Canada.

| Year | Ontario | | Canada | | Ontario as % Canada |
|-----------|-------------------------|------------------|-------------------------|------------------|---------------------------|
| | Amount (millions \$) | Per Capita \$ | Amount (millions \$) | Per Capita \$ | |
| 1939..... | 1,092 | 295 | 2,575 | 229 | 42.4 |
| 1946..... | 2,189 | 535 | 5,323 | 433 | 41.1 |
| 1947..... | 2,584 | 619 | 6,221 | 496 | 41.5 |
| 1948..... | 3,010 | 704 | 7,170 | 559 | 42.0 |
| 1949..... | 3,246 | 741 | 7,761 | 577 | 41.8 |
| 1950..... | 3,498 | 782 | 8,271 | 603 | 42.3 |
| 1951..... | 4,160 ² | 905 | 9,660 | 690 | 43.1 |

¹ Dominion Bureau of Statistics, National Accounts, Income and Expenditure, 1926-1950 and 1951 (preliminary).

² Estimated.

NET INCOME OF AGRICULTURE AND OTHER UNINCORPORATED BUSINESS¹

Net income of agriculture and other unincorporated business in Ontario registered an increase in 1951 over the previous year of approximately \$283 million, while Canada showed an increase of \$882 million. This upswing was due in large part to the sharp rise in income of farm operators brought about by several factors, including the record wheat crop and the high prices for live-stock.

Final figures will show Ontario's net farm income in 1951 to be substantially higher than in 1950. The value of the 1951 alfalfa, hay and clover crop was \$133.6 million, or \$17.6 million above that in 1950. Production of cattle and calves on Ontario farms in 1951 was valued at \$195 million, \$35 million above last year, while production of hogs registered an increase in value of close to \$29 million over 1950. The value of the tobacco crop in 1951 was \$62.7 million, the highest on record, and \$14 million above that in 1950.

Net income of other unincorporated business in Ontario probably rose by about the same percentage as for Canada, or 9.5 per cent, and thereby contributed to the rise in Ontario's total net farm and other unincorporated business income to \$1,300 million, compared with \$1,017 million in 1950. In 1951, Ontario received something like 34 per cent of the total Canadian net income derived from agriculture and other unincorporated business.

| Year | Ontario | Canada ² | Ontario |
|-----------|---------------------------------|---------------------------------|----------------|
| | Amount (millions of dollars) | Amount (millions of dollars) | as % Canada |
| 1939..... | 306 | 899 | 34.0 |
| 1946..... | 732 | 2,161 | 33.9 |
| 1947..... | 789 | 2,350 | 33.6 |
| 1948..... | 932 | 2,953 | 31.6 |
| 1949..... | 966 | 2,969 | 32.5 |
| 1950..... | 1,017 | 2,942 | 34.6 |
| 1951..... | 1,300 ³ | 3,824 | 34.0 |

¹ Dominion Bureau of Statistics, National Accounts, Income and Expenditure, 1926-1950 and 1951 (preliminary). Net income of agriculture includes adjustment and equalization payments to farmers by the Canadian Wheat Board, but excludes undistributed earnings of the Canadian Co-operative Wheat Producers and the Canadian Wheat Board.

² Includes Newfoundland for the years 1949, 1950 and 1951.

³ Estimated.

COMBINED PUBLIC AND PRIVATE CAPITAL INVESTMENT IN ONTARIO AND CANADA

Since 1940, Canada's combined public and private capital investment (excluding repair and maintenance expenditures) has totalled \$27.4 billion. This new capital investment in construction, machinery and equipment has increased 4½ times since 1939 and 3½ times since 1945. Capital investment has followed a similar pattern in Ontario, rising from less than \$400 million in 1940 to \$1¾ billion in 1951. Nearly \$10½ billion of capital has been invested in Ontario's industrial plant, machinery and equipment, housing, highways and buildings

since 1939, representing over 38 per cent of the Canadian total. In the last five years, the volume of Ontario's capital investment has been from 48 to 79 per cent greater than that in any other province.

CAPITAL INVESTMENT IN ONTARIO AND CANADA 1940-51¹

| Year | (Millions of Dollars) | | | Canada's G.N.P. | Capital Investment in Canada as % G.N.P. |
|-----------|-----------------------|--------------------|---------------------|--------------------|--|
| | Canada | Ontario | Ontario % Canada | | |
| 1940..... | 1,048 | 2,739 ² | .... | 6,872 | 15.3 |
| 1941..... | 1,463 |  | .... | 8,517 | 17.2 |
| 1942..... | 1,542 |  | .... | 10,539 | 14.6 |
| 1943..... | 1,485 |  | .... | 11,183 | 13.3 |
| 1944..... | 1,309 |  | .... | 11,954 | 11.0 |
| 1945..... | 1,284 | 2,048 ² | .... | 11,850 | 10.8 |
| 1946..... | 1,703 | | 37.4 | 12,026 | 14.2 |
| 1947..... | 2,489 |  | .... | 13,768 | 18.1 |
| 1948..... | 3,175 | 1,183 | 37.3 | 15,613 | 20.3 |
| 1949..... | 3,502 | 1,297 | 37.1 | 16,462 | 21.3 |
| 1950..... | 3,815 | 1,419 | 37.2 | 18,029 | 21.2 |
| 1951..... | 4,581 | 1,748 | 38.2 | 21,217 | 21.6 |
| | 27,396 | 10,434 | | | |

Increases in private and public investment are forecast for 1952 for both Canada and Ontario. The anticipated investment in Canada is \$5,003 million, of which Ontario's share is expected to be 39.3 per cent, or \$1,965 million.

The following table provides a breakdown of capital investment by industry in Ontario for the years 1949, 1950, 1951 and the outlook for 1952.

CAPITAL INVESTMENT IN ONTARIO, BY INDUSTRY³

| Industry | 1949 | 1950 (millions of dollars) | 1951 | 1952 |
|---|---------|-------------------------------|---------|---------|
| Primary Industry and Construct- tion Industry..... | 172.9 | 197.3 | 228.8 | 228.5 |
| Manufacturing..... | 240.2 | 217.9 | 385.2 | 507.5 |
| Utilities..... | 279.9 | 314.7 | 358.3 | 408.2 |
| Trade, Finance and Commercial Services..... | 139.1 | 166.6 | 180.2 | 134.5 |
| Residential Housing..... | 291.4 | 317.9 | 341.1 | 343.8 |
| Institutional Services and Direct Government..... | 173.7 | 204.8 | 254.0 | 342.5 |
| Grand Total..... | 1,297.2 | 1,419.2 | 1,747.6 | 1,965.0 |

¹ Capital investment data for Canada and Ontario have been taken from publications of the Department of Trade and Commerce, Ottawa, for years 1948 and 1949, Private and Public Investment in Canada, 1926-1951, p. 201, and for years 1950 and 1951, Private and Public Investment in Canada, Outlook 1952, p. 17.

² Estimated.

³ Private and Public Investment in Canada, Outlook 1951, p. 23 and Outlook 1952, p. 22.

ESTIMATE OF PROVINCIAL-MUNICIPAL CAPITAL INVESTMENT IN ONTARIO, 1949-50 TO 1951-52

(Does not include expenditures or grants for repairs and maintenance)

| (Thousands of Dollars) | | Fiscal Years or Nearest Calendar Years ¹ | | |
|---|---------|---|---------|---------|
| | | 1949-50 | 1950-51 | 1951-52 |
| 1. ² Direct Capital Expenditures of the Ontario Government | | | | |
| Highways..... | 32,314 | 36,001 | 50,900 | |
| Public Works..... | 6,921 | 8,971 | 11,950 | |
| Hydro-Rural Power Extensions..... | 10,622 | 7,297 | 10,035 | |
| Resource Development ² | 11,100 | 12,500 | 13,200 | |
| Education ³ | 627 | 623 | 685 | |
| Grants to Hospitals and Sanatoria..... | 2,561 | 2,083 | 3,500 | |
| Grants for Community Centres..... | 475 | 425 | 422 | |
| Grants for New Homes for the Aged... | 196 | 652 | 1,700 | |
| Miscellaneous..... | 1,220 | 1,140 | 2,300 | |
| Sub-Total..... | 66,036 | 69,692 | 94,692 | |
| 2. Provincial Commissions, etc. | | | | |
| Ontario Hydro..... | 153,300 | 138,672 | 164,097 | |
| Ontario Northland Railway..... | 894 | 3,444 | 4,020 | |
| University of Toronto..... | 2,366 | 1,772 | 1,041 | |
| Niagara Parks Commission..... | 249 | 440 | 148 | |
| Sub-Total..... | 156,809 | 144,328 | 169,306 | |
| 3. Municipalities ⁴ | | | | |
| Schools..... | 22,000 | 36,000 | 45,000 | |
| Hospitals..... | 11,300 | 5,300 | 8,200 | |
| Water..... | 11,500 | 8,200 | 28,100 | |
| Hydro..... | 2,900 | 1,200 | 12,000 | |
| Sewers..... | 8,000 | 12,900 | 12,800 | |
| Drains..... | 1,300 | 1,400 | 6,100 | |
| Pavement, Sidewalks, Bridges and Road Machinery..... | 7,300 | 9,700 | 12,400 | |
| Local Improvements..... | 3,000 | 3,800 | 1,200 | |
| Civic Buildings..... | 5,500 | 1,500 | 1,100 | |
| Housing..... | 400 | 400 | 1,900 | |
| Capital Expenditures out of Revenue.. | 4,300 | 3,900 | 4,000 | |
| Toronto Transportation Commission... | 9,548 | 13,520 | 16,500 | |
| Other..... | 10,500 | 9,300 | 13,700 | |
| Sub-Total..... | 97,548 | 107,120 | 163,000 | |
| Total of Items 1 to 3 (Less Rural Power Bonus)..... | 309,771 | 313,843 | 416,963 | |

¹ Capital expenditures of Ontario Government departments, Hydro, Niagara Parks Commission and University of Toronto are for fiscal years and all others are for calendar years.

² Includes the Departments of Land and Forests, Mines and Planning and Development.

³ Includes expenditures of the Department of Education on Normal Schools, Schools for Blind and Deaf, etc., and provincial grants for capital purposes to Vocational Schools.

⁴ Municipal expenditures, with the exception of those shown for schools, capital expenditures out of revenue and the Toronto Transportation Commission, are 1948, 1949 and 1950 debenture approvals of capital undertakings.

APPENDIX II

A STATISTICAL COMPARISON OF SOCIAL AND ECONOMIC
FACTORS IN ONTARIO AND THE OTHER PROVINCES

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A STATISTICAL COMPARISON OF SOCIAL AND ECONOMIC FACTORS IN ONTARIO AND OTHER PROVINCES¹

POPULATION AND VITAL STATISTICS

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada |
|--|---------|--------|---------|---------|-----------|-----------|---------|---------|---------|--------------------|-------------------------|
| POPULATION, JUNE 1, 1951 No. | 361,416 | 98,429 | 642,584 | 515,697 | 4,055,681 | 4,597,542 | 776,541 | 831,728 | 939,501 | 1,165,210 | 14,009,429 ² |
| VITAL STATISTICS, 1950 | | | | | | | | | | | |
| Births No. | 12,589 | 2,893 | 17,267 | 16,416 | 119,081 | 108,741 | 19,179 | 21,651 | 25,646 | 27,115 | 370,578 ³ |
| Rate per 1,000 population | 35.9 | 30.1 | 27.1 | 32.1 | 30.0 | 24.3 | 25.0 | 26.0 | 28.1 | 23.8 | 27.1 |
| Marriages No. | 2,514 | 616 | 5,065 | 4,376 | 34,010 | 43,719 | 7,121 | 6,910 | 9,290 | 11,112 | 124,733 |
| Rate per 1,000 population | 7.2 | 6.4 | 7.9 | 8.5 | 8.6 | 9.8 | 9.3 | 8.3 | 10.2 | 9.8 | 9.1 |
| General Mortality No. | 3,058 | 908 | 6,079 | 4,898 | 33,525 | 43,895 | 6,601 | 6,246 | 6,857 | 11,582 | 123,649 |
| Rate per 1,000 population | 8.7 | 9.5 | 9.5 | 9.6 | 8.4 | 9.8 | 8.6 | 7.5 | 7.5 | 10.2 | 9.0 |
| Infant Mortality No. | 732 | 106 | 691 | 930 | 6,101 | 3,746 | 671 | 692 | 815 | 805 | 15,289 |
| Rate per 1,000 live births | 58 | 37 | 40 | 57 | 51 | 34 | 35 | 32 | 32 | 30 | 41 |
| Some Causes of Death: | | | | | | | | | | | |
| Diseases of the Heart No. | 446 | 298 | 1,859 | 1,360 | 8,635 | 16,036 | 2,089 | 1,911 | 2,043 | 4,041 | 38,718 |
| Cancer " | 333 | 102 | 837 | 553 | 4,326 | 5,974 | 935 | 912 | 928 | 1,648 | 16,548 |
| Tuberculosis " | 243 | 29 | 172 | 159 | 1,564 | 585 | 181 | 162 | 173 | 314 | 3,582 |
| Pneumonia " | 152 | 40 | 249 | 244 | 1,236 | 1,481 | 284 | 270 | 275 | 402 | 4,633 |
| Typhoid Fever " | 1 | — | 2 | 2 | 12 | 1 | 1 | 1 | 1 | 1 | 22 |
| Diphtheria " | 3 | 1 | 1 | 1 | 28 | 8 | 2 | 3 | 1 | 1 | 49 |
| INCOME, 1950 | | | | | | | | | | | |
| Personal Income \$ Million | 175 | 57 | 485 | 343 | 3,267 | 5,327 | 754 | 746 | 907 | 1,325 ² | 13,417 |
| Per Capita \$ | 499 | 594 | 760 | 670 | 823 | 1,191 | 982 | 896 | 993 | 1,141 | 978 |
| Salaries, Wages and Supplementary Lab- our Income \$ Million | 109 | 24 | 301 | 208 | 2,143 | 3,498 | 421 | 276 | 430 | 857 | 8,271 |
| Per Capita \$ | 311 | 250 | 472 | 406 | 540 | 782 | 548 | 331 | 471 | 738 | 603 |
| Net Income of Agricul- ture and Other Unin- corporated Business . \$ Million | 33 | 20 | 88 | 71 | 604 | 1,017 | 219 | 339 | 335 | 216 | 2,942 |
| Per Capita \$ | 94 | 208 | 138 | 139 | 152 | 227 | 285 | 407 | 367 | 186 | 215 |
| Interest, Dividends and Net Rental Income of Persons \$ Million | 13 | 5 | 43 | 29 | 293 | 540 | 64 | 66 | 75 | 138 | 1,266 |
| Per Capita \$ | 37 | 52 | 67 | 57 | 74 | 121 | 83 | 79 | 82 | 119 | 92 |

¹ Compiled from reports of the Dominion Bureau of Statistics and other Departments of the Government of Canada.

² Including Yukon and Northwest Territories.

³ Excluding Yukon and Northwest Territories.

INDEXES OF EMPLOYMENT AND PAYROLLS ON THE BASE 1939 = 100

| Item | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada ¹ |
|---|-------|--------|-------|---------|-------|-------|-------|-------|-------|-------|---------------------|
| INDEX NUMBERS OF EMPLOYMENT (1939 = 100) Nov. 1, 1951. | | | | | | | | | | | |
| Forestry (chiefly logging)..... Index | — | — | — | 265.5 | 280.3 | 284.2 | — | — | — | 231.6 | 259.8 |
| Mining..... " | — | — | 90.4 | — | 157.5 | 104.4 | — | — | 207.0 | 101.3 | 121.2 |
| Manufacturing..... " | — | 185.2 | 166.0 | 173.8 | 184.5 | 195.1 | 181.3 | 177.6 | 223.8 | 204.2 | 190.7 |
| Construction..... " | — | — | 264.0 | 247.5 | 120.9 | 297.2 | 370.0 | 167.7 | 373.3 | 275.3 | 203.2 |
| Transportation, storage and communication..... " | — | 153.9 | 168.5 | 172.3 | 209.7 | 188.4 | 189.5 | 138.8 | 178.7 | 176.7 | 186.1 |
| Public utility operation..... " | — | — | — | — | 168.2 | 213.2 | — | — | — | 182.3 | 189.9 |
| Trade..... " | — | 146.5 | 190.6 | 169.3 | 167.1 | 177.3 | 150.3 | 166.4 | 195.1 | 212.8 | 176.5 |
| Finance, insurance and real estate..... " | — | — | 169.0 | — | 158.1 | 181.5 | 164.8 | 168.2 | — | 222.0 | 176.4 |
| Service..... " | — | — | — | — | 187.1 | 189.3 | 166.7 | 167.8 | 165.1 | 179.7 | 183.0 |
| Industrial composite..... " | — | 182.6 | 158.6 | 185.9 | 177.7 | 193.8 | 178.2 | 157.2 | 211.6 | 197.2 | 186.2 |
| INDEX NUMBERS OF PAYROLLS (1939 = 100) Nov. 1, 1951. | | | | | | | | | | | |
| Forestry (chiefly logging)..... Index | — | — | — | 1,004.7 | 928.1 | 975.7 | — | — | — | 582.4 | 797.1 |
| Mining..... " | — | — | 247.0 | — | 340.6 | 191.9 | — | — | 504.9 | 217.1 | 263.7 |
| Manufacturing..... " | — | 448.2 | 345.0 | 414.8 | 446.5 | 464.1 | 374.2 | 356.8 | 465.7 | 471.8 | 450.8 |
| Construction..... " | — | — | 482.6 | 548.6 | 360.2 | 772.5 | 858.7 | 415.8 | 865.0 | 718.6 | 558.0 |
| Transportation, storage and communication..... " | — | 314.5 | 311.6 | 358.9 | 404.6 | 364.6 | 350.9 | 266.1 | 341.9 | 355.2 | 360.2 |
| Public utility operation..... " | — | — | — | — | 322.9 | 417.1 | — | — | — | 396.2 | 375.5 |
| Trade..... " | — | 257.7 | 337.4 | 327.1 | 338.8 | 369.8 | 291.5 | 329.8 | 380.4 | 429.2 | 357.6 |
| Finance, insurance and real estate..... " | — | — | 269.8 | — | 258.8 | 300.3 | 260.5 | 265.0 | — | 370.7 | 289.5 |
| Service..... " | — | — | — | — | 378.8 | 378.8 | 287.0 | 351.1 | 341.1 | 349.2 | 363.3 |
| Industrial composite..... " | — | 356.3 | 325.1 | 420.0 | 413.1 | 427.8 | 348.7 | 313.5 | 441.2 | 431.6 | 412.3 |
| AVERAGE WEEKLY WAGES AND SALARIES, Nov. 1, 1951. | | | | | | | | | | | |
| Forestry (chiefly logging)..... \$ | 49.17 | — | — | 46.35 | 46.66 | 52.69 | — | — | — | 75.93 | 53.12 |
| Mining..... \$ | 54.25 | — | 55.27 | — | 60.47 | 62.33 | — | — | 67.95 | 65.61 | 62.60 |
| Manufacturing..... \$ | 52.34 | 37.79 | 45.90 | 48.20 | 50.34 | 56.45 | 50.51 | 50.35 | 52.23 | 58.63 | 53.85 |
| Construction..... \$ | 62.83 | — | 37.02 | 39.48 | 47.96 | 56.09 | 52.49 | 48.30 | 53.73 | 61.58 | 51.49 |
| Transportation, storage and communication..... \$ | 48.98 | 48.03 | 46.89 | 54.03 | 55.33 | 56.65 | 54.94 | 53.46 | 56.36 | 56.69 | 55.39 |
| Public utility operation..... \$ | 34.07 | — | — | — | 55.84 | 62.19 | — | — | — | 63.00 | 58.35 |
| Trade..... \$ | 32.88 | 29.03 | 35.90 | 37.07 | 43.21 | 45.46 | 44.97 | 43.95 | — | 46.11 | 44.31 |
| Finance, insurance and real estate..... \$ | 39.15 | — | 43.70 | — | 48.62 | 49.07 | 45.68 | 40.39 | — | 46.78 | 47.71 |
| Service..... \$ | 23.97 | — | — | — | 31.71 | 33.38 | 29.87 | 29.88 | 34.24 | 35.63 | 32.59 |
| Industrial composite..... \$ | — | 38.82 | 43.94 | 45.79 | 49.48 | 54.08 | 50.31 | 48.35 | 53.06 | 56.91 | 51.97 |

¹ In these statistics Canada excludes Newfoundland, Yukon and Northwest Territories.

ELECTRIC POWER CONSUMPTION

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada |
|---|--------|--------|---------|--------|---------|-----------|---------|--------|---------|---------|------------------------|
| DOMESTIC ELECTRIC POWER SERVICE, 1949. | | | | | | | | | | | |
| Customers | | | | | | | | | | | |
| Number.....No. | 28,725 | 8,966 | 107,516 | 87,827 | 741,941 | 1,036,705 | 131,284 | 87,987 | 121,440 | 265,835 | 2,619,831 ¹ |
| Per 100 population.....No. | 8.32 | 9.54 | 17.09 | 17.29 | 19.11 | 23.68 | 17.34 | 10.58 | 13.72 | 23.88 | 19.48 |
| Average Annual Bill ²\$ | 26.44 | 56.54 | 36.97 | 38.12 | 27.47 | 33.58 | 51.88 | 47.41 | 38.00 | 40.62 | 34.47 |
| Average per Kilowatt Hour. c. | 2.38 | 5.37 | 3.11 | 3.81 | 2.04 | 1.13 | 1.11 | 3.95 | 3.54 | 2.20 | 1.59 |
| Average Annual Consumption | | | | | | | | | | | |
| Per Customer.....KW. Hrs. | 1,111 | 1,052 | 1,187 | 1,000 | 1,347 | 2,968 | 4,694 | 1,199 | 1,073 | 1,850 | 2,168 |
| Per Capita.....KW. Hrs. | 92 | 100 | 203 | 173 | 257 | 703 | 814 | 127 | 147 | 442 | 422 |
| Domestic Consumption as a Per Cent of Total Power Used in Province..... | 15.90 | 37.81 | 17.93 | 14.19 | 4.99 | 20.20 | 23.47 | 26.83 | 16.07 | 24.26 | 15.90 |
| Per Cent of Total Domestic Power used in Canada..... | .56 | .17 | 2.25 | 1.55 | 17.59 | 54.18 | 10.85 | 1.86 | 2.29 | 8.66 | 100.00 |
| FARM ELECTRIC POWER SERVICE, 1949 | | | | | | | | | | | |
| Customers.....No. | — | 3,860 | 13,533 | 28,490 | 74,857 | 106,134 | 11,155 | 2,299 | 5,017 | 5,521 | 250,866 ³ |
| Average Annual Bill ²\$ | — | 41.77 | 35.77 | 35.12 | 27.91 | 45.28 | 69.95 | 63.83 | 87.17 | 56.10 | 40.72 |
| Average per Kilowatt Hour. c. | — | 6.4 | 4.2 | 5.0 | 3.3 | 1.6 | 3.3 | 7.3 | 4.1 | 2.3 | 2.3 |
| Average Annual Consumption | | | | | | | | | | | |
| Per Customer.....KW. Hrs. | — | 651 | 849 | 708 | 833 | 2,763 | 2,113 | 880 | 2,128 | 2,439 | 1,752 |
| Per Cent of Total Farm Consumption in Canada..... | — | .57 | 2.61 | 4.59 | 14.19 | 66.72 | 5.36 | .46 | 2.43 | 3.07 | 100.00 |

¹ Including Yukon and Northwest Territories.² Federal, Provincial and Municipal taxes on the electricity purchased are not included.³ Excluding Newfoundland, Yukon and Northwest Territories.

GROSS AND NET VALUE OF PRODUCTION

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada ¹ |
|-----------------------------------|---------------------|--------|---------|---------|-----------|-----------|---------|---------|-----------|-----------|---------------------|
| SURVEY OF PRODUCTION, 1949 | | | | | | | | | | | |
| GROSS VALUE OF PRODUCTION | | | | | | | | | | | |
| Agriculture.....\$000 | — | 25,979 | 50,488 | 59,021 | 428,105 | 756,226 | 247,663 | 584,778 | 440,029 | 114,141 | 2,710,430 |
| Forestry..... | — | 1,717 | 43,748 | 119,838 | 645,719 | 452,834 | 21,092 | 10,057 | 23,997 | 408,631 | 1,793,976 |
| Fisheries..... | — | 4,667 | 54,143 | 24,442 | 8,181 | 5,728 | 4,800 | 1,026 | 652 | 84,163 | 190,137 |
| Trapping..... | — | 7 | 427 | 256 | 1,664 | 3,964 | 2,545 | 1,992 | 1,927 | 835 | 15,297 |
| Mining..... | — | — | 56,392 | 7,188 | 387,833 | 448,087 | 37,214 | 67,542 | 120,089 | 223,785 | 1,384,301 |
| Electric Power..... | — | 903 | 10,979 | 7,672 | 104,271 | 86,930 | 14,988 | 11,072 | 13,539 | 27,352 | 280,312 |
| Construction..... | — | 7,424 | 92,657 | 70,108 | 553,233 | 907,434 | 117,515 | 73,960 | 150,592 | 232,609 | 2,220,775 |
| Custom and Repair..... | — | 1,893 | 15,747 | 9,519 | 131,456 | 163,951 | 26,015 | 20,044 | 23,411 | 38,705 | 430,741 |
| Manufactures..... | — | 18,123 | 247,592 | 231,506 | 3,788,497 | 6,103,805 | 474,682 | 215,743 | 371,995 | 959,008 | 12,479,593 |
| Less: Duplication..... | — | 4,784 | 73,402 | 105,896 | 756,162 | 621,776 | 34,360 | 35,993 | 23,057 | 441,925 | 2,145,635 |
| Total, Gross Value... | — | 55,929 | 498,771 | 423,654 | 5,292,797 | 8,307,183 | 912,154 | 950,221 | 1,127,174 | 1,647,304 | 19,359,927 |
| NET VALUE OF PRODUCTION | | | | | | | | | | | |
| Agriculture.....\$000 | — | 16,654 | 32,997 | 41,667 | 290,287 | 532,738 | 199,738 | 476,913 | 361,918 | 74,392 | 2,027,304 |
| Forestry..... | 38,710 | 1,209 | 26,973 | 69,764 | 371,304 | 261,098 | 14,543 | 7,339 | 15,570 | 249,739 | 1,056,404 |
| Fisheries..... | — | 2,474 | 32,073 | 14,879 | 4,548 | 5,728 | 4,800 | 1,026 | 653 | 50,801 | 119,316 |
| Trapping..... | — | 7 | 428 | 256 | 1,664 | 3,964 | 2,545 | 1,992 | 1,927 | 835 | 15,297 |
| Mining..... | 17,472 | — | 47,125 | 6,074 | 183,199 | 263,605 | 19,671 | 33,809 | 111,163 | 108,944 | 800,217 |
| Electric Power..... | 1,910 | 655 | 8,381 | 6,255 | 104,107 | 86,256 | 14,911 | 8,851 | 11,961 | 26,189 | 270,127 |
| Construction..... | 8,196 | 3,766 | 45,257 | 33,281 | 260,825 | 439,776 | 51,509 | 34,510 | 75,169 | 114,360 | 1,066,649 |
| Custom and Repair..... | — | 1,284 | 10,685 | 6,459 | 89,199 | 111,248 | 17,652 | 13,601 | 15,885 | 26,264 | 292,277 |
| Manufactures..... | 32,919 | 4,338 | 102,294 | 91,187 | 1,651,630 | 2,708,554 | 167,335 | 47,357 | 114,681 | 409,665 | 5,330,566 |
| Less: Duplication..... | 24,325 | 2,002 | 35,028 | 51,399 | 341,314 | 298,215 | 15,414 | 7,187 | 14,063 | 191,988 | 880,638 |
| Total, Net Value.... | 74,882 ² | 28,385 | 271,185 | 218,423 | 2,615,449 | 4,114,752 | 477,290 | 618,211 | 694,864 | 869,201 | 9,997,067 |
| PER CAPITA | | | | | | | | | | | |
| Gross Value of Production...\$ | — | 595 | 793 | 834 | 1,363 | 1,897 | 1,205 | 1,142 | 1,274 | 1,480 | 1,444 |
| Net Value of Production....\$ | 217 | 302 | 431 | 430 | 674 | 940 | 631 | 743 | 785 | 781 | 743 |

¹ Includes Newfoundland's production for forestry, mining, electric power, construction and manufacturing.² Excludes agriculture, fisheries, trapping and custom and repair.

CAPITAL INVESTMENT

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada |
|--|-------|--------|-------|-------|---------|---------|-------|-------|-------|--------------------|--------|
| NEW CAPITAL INVESTMENT—FORE-CAST, 1952 | | | | | | | | | | | |
| Primary Industries and Construction Industry... \$ Million | 9.6 | 3.9 | 23.6 | 12.8 | 130.1 | 228.5 | 83.1 | 122.7 | 193.1 | 51.7 | 859 |
| Manufacturing..... " | 8.1 | 0.6 | 19.3 | 17.8 | 188.5 | 507.5 | 11.9 | 10.3 | 77.4 | 87.8 | 929 |
| Utilities..... " | 12.7 | 1.9 | 22.2 | 31.5 | 296.6 | 408.2 | 64.1 | 48.5 | 108.8 | 135.1 | 1,130 |
| Trade, Finance and Commercial Services. | 1.6 | 0.5 | 9.1 | 4.8 | 57.7 | 134.5 | 20.4 | 17.8 | 30.4 | 32.1 | 309 |
| Residential Housing.... | | | 10.6 | 16.6 | 182.5 | 343.8 | 32.4 | 21.1 | 65.6 | 74.8 | 758 |
| Institutional Services & Government Depts.. | 32.1 | 9.6 | 52.8 | 29.9 | 278.5 | 342.5 | 55.6 | 33.2 | 101.3 | 94.0 | 1,018 |
| Total..... | 64.1 | 16.5 | 137.6 | 113.4 | 1,133.9 | 1,965.0 | 267.5 | 253.6 | 576.6 | 475.5 ¹ | 5,003 |

MINERAL PRODUCTION

| | | | | | | | | | | | |
|-----------------------------------|--------|---|---|---|---------|---------|--------|--------|---------|---------|-----------|
| MINERAL PRODUCTION, 1951 | | | | | | | | | | | |
| Copper.....'000 lb. | 5,510 | — | — | — | 139,793 | 257,778 | 30,921 | 63,153 | — | 43,812 | 540,967 |
| Gold.....'000 oz. | 1,526 | — | — | — | 38,723 | 70,909 | 8,565 | 17,493 | — | 12,096 | 149,313 |
| Iron Ore.....'000 ton | 297 | — | — | — | 1,061 | 2,446 | 162 | 114 | — | 232 | 4,329 |
| Lead.....'000 lb. | 1,788 | — | 1 | — | 39,102 | 90,131 | 5,979 | 4,086 | 4 | 9,287 | 159,407 |
| Nickel.....'000 lb. | 8,215 | — | — | — | — | 2,828 | — | — | — | 120 | 4,736 |
| Platinum.....'000 oz. | 32,271 | — | — | — | — | 17,644 | — | — | — | 815 | 26,674 |
| Silver.....'000 oz. | 5,938 | — | — | — | 15,319 | — | — | — | — | 244,458 | 304,999 |
| Asbestos.....'000 ton | — | — | — | — | 2,819 | — | — | — | — | 44,980 | 56,120 |
| Coal.....'000 ton | — | — | — | — | — | 274,536 | — | — | — | — | 274,536 |
| Petroleum, crude.....'000 bbl. | — | — | — | — | — | 150,647 | — | — | — | — | 150,647 |
| Cement.....'000 bbl. | — | — | — | — | — | 155 | — | — | — | — | 155 |
| Sand and Gravel.....'000 ton | — | — | — | — | — | 14,689 | — | — | — | 2 | 14,682 |
| Total Mineral Production.....'000 | — | — | — | — | — | 5,357 | — | — | — | 8,425 | 24,245 |
| Asbestos.....'000 ton | — | — | — | — | — | 5,065 | 580 | 1,494 | — | 7,975 | 22,933 |
| Coal.....'000 ton | — | — | — | — | — | 170,977 | 28,753 | 79,707 | — | 319,842 | 667,872 |
| Petroleum, crude.....'000 bbl. | — | — | — | — | — | 34,024 | 5,722 | 15,862 | — | 63,649 | 132,906 |
| Cement.....'000 bbl. | — | — | — | — | — | 941 | — | — | — | — | 967 |
| Sand and Gravel.....'000 ton | — | — | — | — | — | 75,006 | — | — | — | — | 78,792 |
| Total Mineral Production.....'000 | — | — | — | — | — | 3,786 | — | — | — | — | 18,750 |
| Asbestos.....'000 ton | — | — | — | — | — | 650 | — | — | — | 1,747 | 18,750 |
| Coal.....'000 ton | — | — | — | — | — | 4,806 | — | — | — | 9,738 | 110,050 |
| Petroleum, crude.....'000 bbl. | — | — | — | — | — | 15 | 12 | 1,250 | 46,403 | — | 48,097 |
| Cement.....'000 bbl. | — | — | — | — | — | 21 | 30 | 1,562 | 118,684 | — | 121,408 |
| Sand and Gravel.....'000 ton | — | — | — | — | — | 7,058 | 1,625 | — | — | 1,325 | 16,928 |
| Total Mineral Production.....'000 | — | — | — | — | — | 16,515 | 3,818 | — | — | 3,340 | 40,209 |
| Asbestos.....'000 ton | — | — | — | — | — | 12,438 | 3,818 | — | — | 3,340 | 40,209 |
| Coal.....'000 ton | — | — | — | — | — | 37,201 | 2,597 | — | — | 5,309 | 86,760 |
| Petroleum, crude.....'000 bbl. | — | — | — | — | — | 18,475 | 731 | 2,015 | 2,980 | 3,412 | 42,953 |
| Cement.....'000 bbl. | — | — | — | — | — | 249,554 | 28,397 | 50,908 | 173,231 | 168,293 | 1,228,005 |
| Sand and Gravel.....'000 ton | — | — | — | — | — | 437,085 | — | — | — | — | — |
| Total Mineral Production.....'000 | — | — | — | — | — | — | — | — | — | — | — |

1 Includes Value-added in Manufacturing

MOTOR VEHICLE REGISTRATIONS

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Canada |
|---|---------------|---------------|---------------|---------------|----------------|------------------|---------------------|----------------------|---------------------|---------------------------|------------------------------|
| MOTOR VEHICLE REGISTRATIONS—1950 | | | | | | | | | | | |
| Passenger Cars..... | 10,907 | 10,441 | 62,636 | 48,890 | 303,752 | 881,143 | 111,756 | 129,302 | 151,724 | 198,397 | 1,910,072 |
| Motor Trucks..... | 4,468 | 3,626 | 27,036 | 19,056 | 111,388 | 205,616 | 40,988 | 69,073 | 69,028 | 65,005 | 617,194 |
| Motor Buses..... | 381 | 25 | 370 | 382 | 2,439 | 3,612 | 191 | 127 | 1,749 | 700 | 10,004 |
| Motorcycles..... | 319 | 81 | 1,647 | 1,464 | 16,122 | 13,709 | 1,994 | 1,224 | 2,549 | 4,609 | 43,746 |
| Other Motor Vehicles..... | 300 | 1,270 | 2,874 | 4,623 | — | — | 2,417 | 140 | 6,892 | 1,601 | 20,251 |
| Total..... | 16,375 | 15,443 | 94,563 | 74,415 | 433,701 | 1,104,080 | 157,346 | 199,866 | 231,942 | 270,312 | 2,601,267¹ |
| Percentage of Total Registrations | | | | | | | | | | | |
| Average Number of Persons per Motor Vehicle—1950..... | 0.6 | 0.6 | 3.7 | 2.9 | 16.7 | 42.4 | 6.0 | 7.7 | 8.9 | 10.4 | 100.0 |
| Average Number of Persons per Passenger Car—1950..... | 31.1 | 9.2 | 10.2 | 10.5 | 13.1 | 5.1 | 6.9 | 6.4 | 6.0 | 5.7 | 7.2 |
| HIGHWAY MILEAGE | | | | | | | | | | | |
| HIGHWAY MILEAGE—1949 | | | | | | | | | | | |
| Surfaced Road | | | | | | | | | | | |
| Portland Cement or Concrete Bituminous Pavement..... | — | 4 | 7 | — | 320 | 1,794 | 72 | — | — | 41 | 2,237 |
| Bituminous Surface..... | 24 | — | 33 | — | 4,865 | 3,249 | — | — | — | 132 | 8,303 |
| Gravel—crushed stone..... | 89 | 220 | 1,044 | 1,415 | 924 | 4,418 | 584 | 599 | 916 | 1,991 | 12,200 |
| Other Surfaces..... | 1,620 | 1,516 | 6,789 | 11,951 | 20,469 | 49,157 | 8,445 | 13,513 | 15,374 | 8,959 | 138,980 |
| Total Surfaced Road..... | 1,733 | 1,740 | 7,873 | 13,366 | 26,578 | 58,617 | 9,101 | 14,174 | 16,290 | 11,140 | 161,799 |
| Non-Surfaced Road | | | | | | | | | | | |
| Improved Earth..... | 440 | 1,883 | 3,297 | 3 | 54 | 14,297 | 8,062 | 80,427 ² | 28,360 ² | 10,008 | 147,089 |
| Other Earth Roads..... | 150 | — | 3,963 | — | 14,454 | — | 74,184 ² | 118,377 ³ | 38,750 ² | 2,581 | 252,459 |
| Total Non-Surfaced Road.. | 590 | 1,883 | 7,260 | 3 | 14,508 | 14,297 | 82,246 | 198,804 | 67,110 | 12,589 | 399,548 |
| Grand Total..... | 2,325 | 3,623 | 15,133 | 13,369 | 40,650 | 72,914 | 91,347 | 212,978 | 83,400 | 23,729⁴ | 561,347¹ |

¹ Includes Yukon and Northwest Territories.² Includes all road allowances.³ Includes 59,916 unimproved road allowances not in use.⁴ Includes 699 miles of gravelled and 177 miles of improved earth roads of the Northwest Highway System.

TAXES AND LICENCES¹Item.
SELECTED TAXES AND LICENCES
LEVIED BY PROVINCIAL GOVERN-
MENTS.Corporation Tax²

| | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. |
|--|---------------------------|---|---|---|---|--|---|---------------------------|---|---------------------------------|
| On Capital..... | — | — | — | — | Approxim- ately 1/10 of 1% varying slightly ac- cording to types of corporations. 7% | Approxim- ately 1/20 of 1% varying slightly ac- cording to types of corporations. 7% | — | — | — | — |
| On Net Profits..... | 5% | 5% | 5% | 5% | 1% to 30% depending on value of estate plus 1% to 10% depending on individual share. | 1½% to 35% depending on value of estate and class of bene- ficiary plus surtax of 15% to 25%. | 5% | 5% | 5% | 5% |
| Succession Duties ² | — | — | — | — | — | — | — | — | — | — |
| Amusement Tax, (Excludes Pari-Mutuel Betting) | — | Approxim- ately 10% of admission price. | Approxim- ately 10% of admission price. | Approxim- ately 11% of admission price. | 12.5% of admission price. | 12.5% of admission price. | Approxim- ately 20% of admission price. | — | Approxim- ately 10% of admission price. | 17.5% of admission price. |
| Sales Taxes | | | | | | | | | | |
| General..... | 3% of retail price. | — | — | 4% of retail price. | 2% of retail price. | — | — | 3% of retail price. | — | 3% of retail price. |
| Fuel Oil..... | — | — | — | — | — | — | — | — | — | ½c. per gallon. |

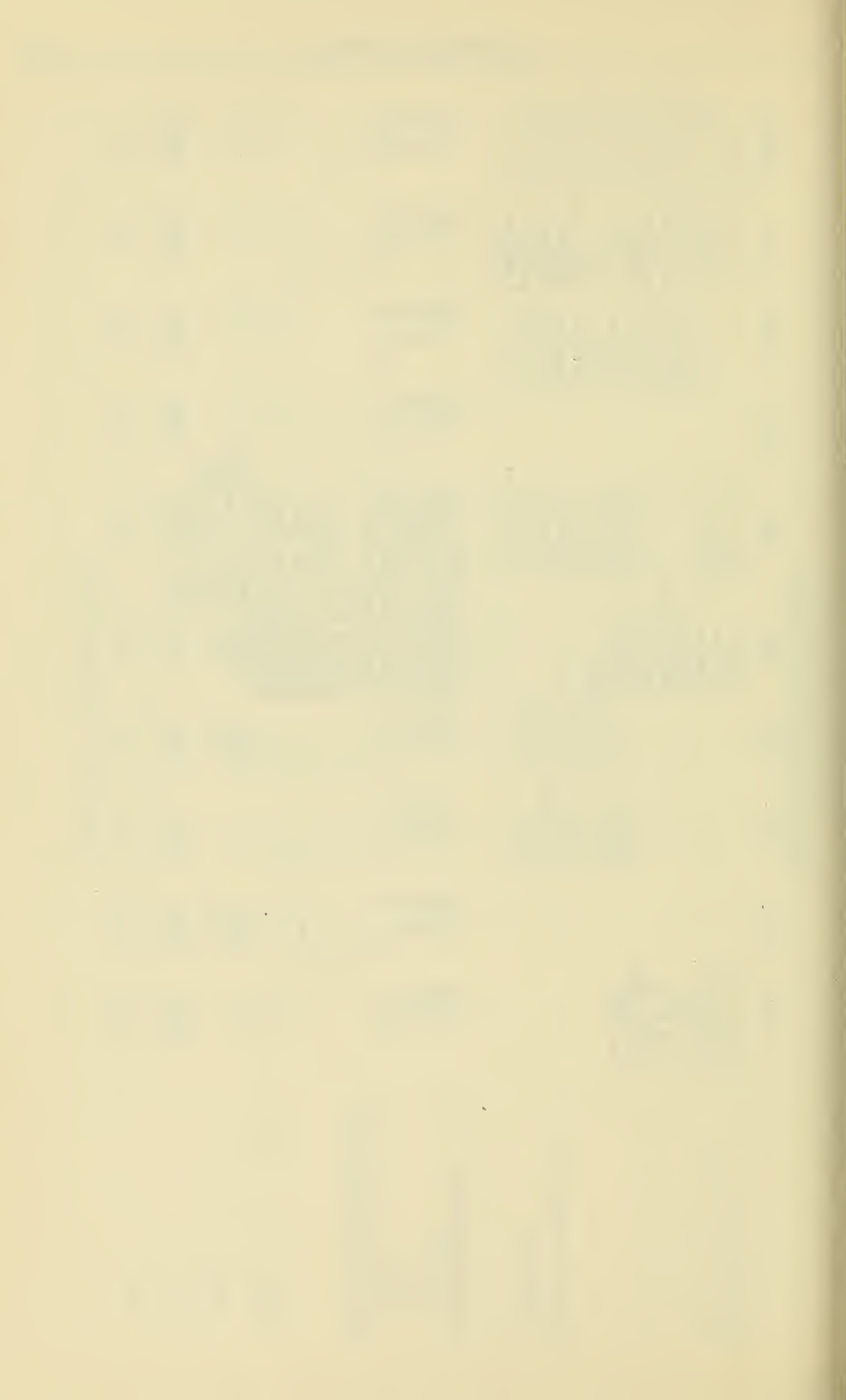
¹ Compiled on the basis of a statement by Dominion Bureau of Statistics.² Under the terms of the Dominion-Provincial Tax Agreement, 1947, all provinces, except Ontario and Quebec, in return for a rental payment agreed to refrain from levying personal income taxes, succession duties and corporation taxes, except for a 5 per cent corporation income tax which the provinces were required to impose and the revenue from which was deducted from the amount of the rental paid to them. Succession Duties levied by Ontario and Quebec are deductible from succession duties payable to the Government of Canada, up to 50 per cent of Dominion succession duty rates. Ontario's and Quebec's corporation taxes on capital are treated as a cost and deducted from net income before calculation of Dominion corporation tax.

TAXES AND LICENCES (Cont'd)

| Item. | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. |
|------------------------------|------------------|---------------------|--|--|---|---|-----------------|--|--|---|
| Motor Fuel..... | 14c. per gallon. | 13c. per gallon. | 15c. per gallon. | 13c. per gallon. | 13c. per gallon. | 11c. per gallon. | 9c. per gallon. | 10c. per gallon. | 10c. per gallon. | 10c. per gallon. |
| Tobacco..... | — | 10% of retail price | — | 10% of retail price | 10% of price of meals costing over 59c. | — | — | — | — | — |
| Meals..... | — | — | — | — | — | — | — | — | — | — |
| Motor Vehicles Annual Fees. | | | | | | | | | | |
| Private Automobile Licences. | | | | | | | | | | |
| Austin..... | \$18.00 | \$14.20 | \$14.60 | \$13.80 | \$16.10 | \$ 5.00 | \$ 9.00 | \$10.00 | \$10.00 | \$20.00 |
| Ford..... | 18.00 | 19.20 | 21.00 | 19.80 | 23.10 | 10.00 | 16.50 | 15.00 | 15.00 | 25.00 |
| Chevrolet..... | 18.00 | 18.70 | 20.30 | 19.20 | 22.40 | 10.00 | 16.50 | 15.00 | 15.00 | 25.00 |
| Plymouth..... | 18.00 | 19.50 | 21.40 | 19.80 | 23.10 | 7.00 | 19.00 | 15.00 | 15.00 | 25.00 |
| Operator's Licence..... | 3.00 | 1.00 | 1.00 | 2.00 | 2.50 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Property Tax— | — | — | Occupancy of more than 1,000 acres 1% of value of land in excess of 1,000 acres. | 2c. per acre where 500 or more acres owned by one person or joint tenants. | — | Land outside municipal organization subject to a tax of not more than 2% of assessed value. | — | 2 million the dollar of the total equalized assessment in cities, towns and villages; 2c. per acre in local improvement districts. | Certain land outside school districts 3 mills on the dollar of the assessed value. | Certain land outside municipalities based on assessed value. Farm Land 1/2 of 1%, Improved Land-1%, Timber Land-1 1/2%, Wild Land-3%, Coal Land-"A" -7% "B"-2%. |

TAXES AND LICENCES (Cont'd)

| | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. |
|---|---|--------|------|------|--|--|------|-------|--|------|
| Land Transfer Tax— Paid at time of transfer. | \$2.50 if land valued under \$250; \$5.00 if valued from \$250 to \$500; 20c. per each \$100 over \$500. | — | — | — | 2½% of purchase price for transfer of property under the Bank- ruptcy or Winding up Acts. | 1/5 of 1% of purchase price of land. | — | — | 1/5 of 1% on value up to \$5,000; 1/10 of 1% on additional value over \$5,000. | — |
| Unearned Increment Tax..... | — | — | — | — | — | — | — | — | 10% of increase in value of land upon transfer. | — |
| Security Transfer Tax..... | — | — | — | — | Bonds, debentures and debenture stocks; 3c. for every \$100 or fraction thereof. Shares sold, trans- ferred or assigned: Value of less than \$1-1/10 of 1% of value \$ 1 to \$ 5-¼c. per share \$ 5 to \$25-1c. per share \$25 to \$50-2c. per share \$50 to \$75-3c. per share \$75 to \$150-4c. per share Over \$150-Quebec-5c. per share Ontario-4c. per share plus 1/10 of 1% of value in excess of \$150. | — | — | — | — | |



APPENDIX III

GOVERNMENT STATEMENTS

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TAX RENTAL AGREEMENTS PROPOSED AT THE
DOMINION-PROVINCIAL CONFERENCE, DECEMBER, 1950
AND AS LATER MODIFIED BY CORRESPONDENCE

At the Conference of the Federal and Provincial Governments in December, 1950, the Federal Government proposed a continuation of tax rental agreements for a further period of five years from April 1, 1952 to March 31, 1957, along lines basically the same as the agreements in effect from April 1, 1947 to March 31, 1952.

The 1950 offer consisted of an upward adjustment in the guaranteed minimum payments, a new option, and two modifications in the method of calculating the adjusted annual payments. The Federal Government was not prepared to make any sizeable increase in the amount of the adjusted payments, but it gave recognition to the depreciation in the value of money by raising the level of the guaranteed minimum payments. Thus, under the agreements effective April 1, 1952, the guaranteed minimum payments are adjusted upwards in accordance with the increase in provincial populations and the gross national product per capita between 1942, the former base year, and 1948, which is the new base year. This revision provides a considerable increase in the guaranteed minimum payments, but it does not affect the level of adjusted payments unless, of course, there is a substantial fall in the gross national product.

The new option is based upon tax rates applicable to personal income and corporate income in the province in 1948, and succession duties in certain years, and it has the same escalator provisions as the other tax rentals. The guaranteed minimum payment is calculated by taking the sum of the following:

1. The yield of a personal income tax at 5 per cent of 1948 federal rates applied to 1948 incomes in the province.
2. The yield of a tax of $8\frac{1}{2}$ per cent on corporation profits earned in the province in 1948.
3. The average revenue received by the Province from succession duties in either the two years before succession duties were suspended, or in the case of Ontario and Quebec the average of the three fiscal years 1946-47 to 1948-49.
4. Statutory subsidies payable to the province for 1948.

This option—Option 2—is beneficial only to Ontario. It raises Ontario's minimum payment to \$101.8 million, an increase of \$2.1 million or 2.1 per cent over the guaranteed amount that would otherwise be payable.

At the Conference, the Federal Government proposed two modifications in the method of calculating the adjusted rental payments. The first, and perhaps more important, was the shift in the escalator clause to a two-year averaging of the relevant factors. Under the agreements from 1947 to 1951 the adjusted payments were calculated by using the average of the G.N.P. per capita and provincial population in the three years prior to the year of payment. The December 1950 offer reduced this averaging to two years. The other modification involved the substitution of the concept of the G.N.P. at factor cost for that of the G.N.P. at market prices. The former is the latter after excluding the revenue derived from indirect taxes.

The combined effect of these modifications is to raise the adjusted payment to all provinces for the fiscal year 1952-53 by \$23 million over the amount payable under the former agreements, assuming they were extended without change.

The adjusted payment to Ontario for that year is raised to \$127 million as against \$118 million under the terms of the 1947-51 agreement.

Since the Conference, an additional revision has been proposed. Under a letter from the Minister of Finance of January 10, 1952, the provinces have been given the option, subject to their making an election for the entire five years, of calculating the adjusted rental payment on the G.N.P. per capita and provincial population in the year immediately preceding the year of payment. On this one year basis, the adjusted payments are obviously more sensitive to the changes in the G.N.P. per capita and provincial population than on either of the former two or three year basis. While the payments on the one year reflect the increase in income and population since 1948, they would, by the same token, decline more rapidly in a period of economic recession. In the same letter, the Minister of Finance also stated that under the new agreements the provinces would not be required to levy a 5 per cent provincial income tax, but that instead the Federal Government would maintain a uniform corporation income tax across the nation and would allow a tax credit of up to 5 per cent against corporation tax payments to the Federal Government with respect to such payments made to any province which did not enter into a tax rental agreement.

With these modifications, the conditions of the latest Federal proposal are essentially the same as under the present agreements, namely, that the Province undertake for the duration of the agreement not to impose taxes on corporations (other than on logging and mining operations) on personal incomes, and, at their option, on successions. The provinces may continue to levy succession duties, but if they do so the credits which are allowed under Federal succession duty law in respect of duties paid to the Province are deducted from the amount of the rental otherwise paid to the Province. The Province will continue to receive its statutory subsidy, but this is also deducted from the amount of the rental payment.

TAX RENTAL AGREEMENTS PROPOSED AT THE FEDERAL-PROVINCIAL
CONFERENCE, DECEMBER, 1950 AND AS LATER MODIFIED BY
CORRESPONDENCE

Adjusted Payments, Fiscal Year 1952-53¹

| Province | Guaranteed Minimum Payments ¹ | | Based on Two Preceding Years | | Based on Preceding Year | |
|---------------------------|---|---|---------------------------------|---|----------------------------|---|
| | Amount \$000 | Per Capita on 1951 Population \$ | Amount \$000 | Per Capita on 1951 Population \$ | Amount \$000 | Per Capita on 1951 Population \$ |
| Newfoundland..... | 9,062 | 25.07 | 11,329 | 31.35 | 12,267 | 33.94 |
| Prince Edward Island..... | 2,967 | 30.14 | 3,624 | 36.82 | 3,908 | 39.70 |
| Nova Scotia..... | 15,296 | 23.80 | 18,653 | 29.03 | 20,110 | 31.30 |
| New Brunswick..... | 12,533 | 24.30 | 15,373 | 29.81 | 16,591 | 32.17 |
| Quebec..... | 84,790 | 20.91 | 105,995 | 26.13 | 114,771 | 28.30 |
| Ontario..... | 101,801 | 22.14 | 126,920 | 27.61 | 137,364 | 29.88 |
| Manitoba..... | 18,439 | 23.75 | 22,716 | 29.25 | 24,534 | 31.59 |
| Saskatchewan..... | 19,159 | 23.04 | 22,820 | 27.44 | 24,498 | 29.45 |
| Alberta..... | 20,348 | 21.66 | 26,203 | 27.89 | 28,515 | 30.35 |
| British Columbia..... | 29,546 | 25.36 | 37,959 | 32.58 | 41,293 | 35.44 |
| All Provinces..... | <u>313,941</u> | <u>22.45</u> | <u>391,592</u> | <u>28.00</u> | <u>423,851</u> | <u>30.31</u> |

¹ These calculations are based on final 1951 census population figures and latest estimates of gross national product at market prices. A further recalculation of 1952-53 payments will be required when the estimate of gross national product for 1951 on the basis of factor cost becomes available.

PROVINCE OF ONTARIO

ESTIMATED ASSISTANCE TO MUNICIPALITIES IN THE FISCAL
YEARS ENDING MARCH 31, 1951 TO 1953

(Thousands of Dollars)

| | 1951 | 1952 | 1953 |
|---|--------------|---------------------|---------------|
| Grants for Education..... | 43,695 | 48,869 | 55,425 |
| Grants for Hospitals..... | 10,146 | 11,760 ¹ | 12,673 |
| Grants for Health Units, School Medical Inspection and School Dental Services... | 527 | 584 | 637 |
| Grants for Roads..... | 21,346 | 24,250 | 31,500 |
| Grants under The Police Act..... | 1,669 | 1,925 | 2,100 |
| Grants under The Fire Departments Act..... | 1,551 | 1,725 | 1,900 |
| Grants for Day Nurseries..... | 198 | 235 | 300 |
| Grants for Children's Aid..... | 1,017 | 1,175 | 1,276 |
| Grants for Homes for the Aged..... | 1,038 | 2,372 | 2,700 |
| Grants for Unemployment Relief..... | 2,687 | 3,000 | 3,000 |
| Grants for Community Centres..... | 425 | 422 | 300 |
| Grants for Conservation, Drainage Aid and Flood Control..... | 600 | 1,835 | 2,275 |
| Grants for Mining Municipalities..... | 302 | 384 | 1,300 |
| Payments re Municipal Taxation on Prov- incial Public Buildings..... | .. | .. | 2,000 |
| Railway Tax Distribution..... | 220 | 222 | 223 |
| Miscellaneous Grants..... | 937 | 748 | 961 |
| | <hr/> 86,358 | <hr/> 99,506 | <hr/> 118,570 |

¹ Does not include special grants for capital purposes of \$3,000,000 to Toronto General Hospital, \$1,200,000 to the Wellesley Hospital, and \$1,550,000 to Teaching Hospitals—a total of \$5,750,000.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

The Ontario Municipal Improvement Corporation came into being on March 24, 1950, under legislation passed in that year. Its purpose is to purchase from Ontario municipalities, debentures issued by them for undertakings such as waterworks, sewage and drainage works and plants for the incineration of garbage. The affairs of the Corporation are conducted by three directors who, subject to the approval of the Lieutenant-Governor-in-Council, are empowered to borrow money up to an aggregate of \$50 million on debentures of the Corporation, treasury bills or temporary loans.

Up to February 29, 1952, the Corporation had purchased municipal debentures to a total of \$10,355,141.52 to provide municipal water and sewage works and plants for the incineration of garbage. The Corporation has not issued any debentures of its own.

Debentures Purchased by the Ontario Municipal Improvement Corporation

| | | |
|-------------------|-------------------------------|---------------|
| Atikokan | Water and Sewers | \$ 237,500.00 |
| Bertie | Water | 137,000.00 |
| Bracebridge | Water | 90,000.00 |
| Burlington-Nelson | Water | 327,000.00 |
| Chapleau | Sewers | 310,000.00 |
| Cochrane | Sewers | 109,000.00 |
| Delhi | Water and Sewers | 50,000.00 |
| Dryden | Water | 20,000.00 |
| Elmvale | Water | 4,100.00 |
| Etobicoke | Water and Sewers | 692,038.00 |
| Fort Frances | Water and Sewers | 34,463.66 |
| Grantham | Water | 107,700.00 |
| Hawkesbury | Water and Sewers | 99,000.00 |
| Matheson | Water | 5,000.00 |
| McKim | Water and Sewers | 472,905.00 |
| Mattawa | Water and Sewers | 158,000.00 |
| Niagara Falls | Water | 598,000.00 |
| North York | Incinerator, Water and Sewers | 1,626,359.86 |
| Oakville | Water | 490,000.00 |
| Port Credit | Water | 270,476.00 |
| Port McNichol | Water | 16,500.00 |
| Riverside | Sewers | 94,405.00 |
| Scarborough | Water and Sewers | 2,460,200.00 |
| Schreiber | Water | 35,000.00 |
| Sioux Lookout | Water and Sewers | 69,050.00 |
| South River | Water | 120,000.00 |
| Stamford | Water | 602,000.00 |
| St. Clair Beach | Water | 11,130.00 |
| Sudbury | Water | 77,264.00 |
| Tay | Water | 81,000.00 |
| Teck | Water | 100,000.00 |
| Westminster | Sewers | 28,000.00 |
| West Ferris | Water | 60,000.00 |
| Widdifield | Water | 12,050.00 |
| Windsor | Water | 750,000.00 |

\$10,355,141.52

PROVINCE OF ONTARIO
INVESTMENT IN PHYSICAL ASSETS

| | 1951-52 \$ | Total Nine Years 1943-44 to 1951-52 \$ | Cumulative Total 1867 to 1951-52 \$ |
|---------------------------------|-------------------|--|---|
| Highways..... | 51,005,000 | 202,004,721 | 557,266,327 |
| Provincial Lands and Buildings. | 9,989,000 | 35,300,616 | 98,942,914 |
| Rural Power Transmission Lines. | 10,035,000 | 45,397,376 | 63,105,619 |
| Other..... | 1,563,000 | 5,132,737 | 39,547,190 |
| | <u>72,592,000</u> | <u>287,835,450</u> | <u>758,862,050</u> |

EXPENDITURES ON HUMAN RESOURCES

| | 1951-52 \$ | Total Nine Years 1943-44 to 1951-52 \$ |
|---------------------|--------------------|--|
| Agriculture..... | 7,735,000 | 63,248,822 |
| Education..... | 67,703,000 | 366,302,652 |
| Health..... | 44,959,000 | 198,845,363 |
| Public Welfare..... | 25,507,000 | 145,766,647 |
| | <u>145,904,000</u> | <u>774,163,484</u> |

**CURRENT EXPENDITURES BY THE GOVERNMENT OF ONTARIO AND ALL
LEVELS OF GOVERNMENT IN CANADA AS A PERCENTAGE
OF PERSONAL INCOME**

FISCAL YEARS 1938-39 AND 1950-51¹

| | 1938-39 | | | 1950-51 | | |
|----------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|--|
| | Current Expendi- tures | Personal Income (1938) | Current Expendi- tures as % Personal Income | Current Expendi- tures | Personal Income (1950) | Current Expendi- tures as % Personal Income |
| | (Millions of Dollars) | | % | (Millions of Dollars) | | % |
| Ontario Government..... | 86.8 | 1,689 | 5.1 | 240.3 | 5,327 | 4.5 |
| Federal Government..... | 413.0 | 4,090 | 10.1 | 2,680.5 | 13,417 | 20.0 |
| Provincial Governments..... | 289.2 | 4,090 | 7.1 | 777.5 | 13,417 | 5.8 |
| Ontario Municipal Governments... | 106.6 | 1,689 | 6.3 | 274.3 | 5,327 | 5.1 |
| Canadian Municipal Governments. | 288.8 | 4,090 | 7.1 | 519.4 | 13,417 | 3.9 |

¹ Compiled from the Bank of Canada Statistical Summary, 1946 Supplement, pp. 39 and 43; the Bank of Canada Statistical Summary, October, 1951, p. 176, and December, 1951, p. 218; Public Accounts of Canada, 1951, p. 102; Comparative Statistics of Public Finance, 1936-40; Dominion-Provincial Conference, January, 1941, Table 50; Annual Report of Ontario Municipal Statistics, 1950, pp. XVIII and 130; and National Accounts, Income and Expenditure, 1926-1950, p. 61.

**ESTIMATED TAX COLLECTIONS IN ONTARIO
BY THE THREE LEVELS OF GOVERNMENT
FISCAL YEARS 1938-39 AND 1950-51**

| | 1938-39 \$ (millions) | % Total Tax Revenue Collections | 1950-51 \$ (millions) | % Total Tax Revenue Collections |
|---|-----------------------------|--|-----------------------------|--|
| Federal Government Tax Collections in Ontario ¹ .. | 188.5 | 49.1 | 1,212.5 | 73.2 |
| Ontario Government Tax Collections ² | 80.6 | 21.0 | 255.1 | 15.4 |
| Ontario Municipal Government Tax Collections ³ .. | 115.0 | 29.9 | 188.4 | 11.4 |
| Total..... | <u>384.1</u> | <u>100.0</u> | <u>1,656.0</u> | <u>100.0</u> |

¹ Any estimate of the Federal Government's tax collections in Ontario must inevitably be approximate. Compilations of the Federal Government's direct taxes, such as corporation and personal income tax and succession duties, are based on the figures published in the report of the Department of National Revenue, "Taxation Statistics". Federal collections of indirect taxes, such as sales and excise taxes, are estimated on the basis of the ratio of retail sales in Ontario to those in Canada.

² Includes taxes such as those on corporations and gasoline and motor vehicle licenses, mining royalties and liquor control profits.

³ Compiled from Annual Reports of Municipal Statistics of Ontario.

PROVINCE OF ONTARIO SAVINGS OFFICE

BALANCE SHEET

As at March 31, 1951

ASSETS

| | |
|---|------------------|
| Funds on deposit with Provincial Treasurer..... | \$ 63,006,762 61 |
| Savings Offices— | |
| Cash on Hand and in Banks..... | \$ 1,195,220 20 |
| Accounts Receivable..... | 255 00 |
| Furniture and Fixtures (after provision for depreciation) . . . | 1 00 |
| | <hr/> |
| | 1,195,476 20 |
| | <hr/> |
| | \$ 64,202,238 81 |

LIABILITIES

| | |
|--|------------------|
| Savings Balances due to the Public with accrued interest to March 31, 1951 . . . | \$ 63,908,955 71 |
| Reserve..... | 293,283 10 |
| | <hr/> |
| | \$ 64,202,238 81 |

STATEMENT OF SURPLUS OR DEFICIT* ON ORDINARY ACCOUNT
BEFORE AND AFTER PROVISION FOR SINKING FUNDS

FOR FISCAL YEARS ENDED MARCH 31, 1939 TO 1952

| Fiscal Year ended March 31 | Net Ordinary Revenue | Net Ordinary Expenditure before pro- vision for Sinking Funds | Surplus or Deficit* before pro- vision for Sinking Funds | Provision for Sinking Funds | Surplus or Deficit* on Ordinary Account |
|----------------------------------|----------------------------|---|--|-----------------------------------|--|
| | \$ | \$ | \$ | \$ | \$ |
| 1939..... | 86,843,270.67 | 85,528,119.98 | 1,315,150.69 | 992,655.27 | 322,495.42 |
| 1940..... | 88,172,951.62 | 90,368,392.54 | 2,195,440.92* | 1,038,655.27 | 3,234,096.19* |
| 1941..... | 103,802,020.46 | 88,780,934.05 | 15,021,086.41 | 1,086,655.27 | 13,934,431.14 |
| 1942..... | 111,496,169.77 | 95,208,015.77 | 16,288,154.00 | 1,129,000.00 | 15,159,154.00 |
| 1943..... | 108,214,063.15 | 91,083,245.06 | 17,130,818.09 | 1,181,000.00 | 15,949,818.09 |
| 1944..... | 118,096,683.51 | 101,210,714.54 | 16,885,968.97 | 5,570,000.00 | 11,315,968.97 |
| 1945..... | 117,124,346.77 | 110,956,976.56 | 6,167,370.21 | 5,292,000.00 | 875,370.21 |
| 1946..... | 128,368,864.36 | 121,450,964.37 | 6,917,899.99 | 5,352,000.00 | 1,565,899.99 |
| 1947..... | 142,875,758.56 | 135,506,854.06 | 7,368,904.50 | 5,422,655.27 | 1,946,249.23 |
| 1948..... | 191,698,952.37 | 160,589,199.53 | 31,109,752.84 | 5,481,000.00 | 25,628,752.84 |
| 1949..... | 215,469,613.61 | 190,706,361.37 | 24,763,252.24 | 15,550,000.00 | 9,213,252.24 |
| 1950..... | 228,550,022.27 | 199,271,373.67 | 29,278,648.60 | 20,622,000.00 | 8,656,648.60 |
| 1951..... | 265,272,106.50 | 228,090,424.26 | 37,181,682.24 | 21,698,000.00 | 15,483,682.24 |
| 1952 ¹ | 293,063,000.00 | 266,891,000.00 | 26,172,000.00 | 25,276,000.00 | 896,000.00 |

¹ Interim Figures.

For the Period from July 1st, 1867, to March 31st, 1952

**Interim figures only.

PROVINCE
STATEMENT OF GROSS
1914—

| Fiscal Year | GROSS DEBT | | | REALIZABLE AND INCOME PRODUCING | | |
|--------------|-------------|------------------------------------|-------------|---------------------------------|---|-------------|
| | Total \$ | Yearly Increase or Decrease* | Hydro \$ | O.N.T.C. \$ | Loans, Cash And Accts. Receivable \$ | Total \$ |
| 1914..... | 41,716,000 | ..... | 10,110,000 | 20,246,000 | 5,066,000 | 35,422,000 |
| 1915..... | 50,275,000 | 8,559,000 | 12,316,000 | 20,483,000 | 8,007,000 | 40,806,000 |
| 1916..... | 59,336,000 | 9,061,000 | 21,939,000 | 21,184,000 | 7,684,000 | 50,807,000 |
| 1917..... | 61,825,000 | 2,489,000 | 27,489,000 | 21,594,000 | 5,805,000 | 54,888,000 |
| 1918..... | 75,309,000 | 13,484,000 | 36,244,000 | 21,823,000 | 9,477,000 | 67,544,000 |
| 1919..... | 97,032,000 | 21,723,000 | 47,700,000 | 22,335,000 | 13,882,000 | 83,917,000 |
| 1920..... | 127,262,000 | 30,230,000 | 65,717,000 | 22,681,000 | 16,009,000 | 104,407,000 |
| 1921..... | 202,446,000 | 75,184,000 | 102,946,000 | 23,599,000 | 31,292,000 | 157,837,000 |
| 1922..... | 233,189,000 | 30,743,000 | 116,786,000 | 25,654,000 | 30,704,000 | 173,144,000 |
| 1923..... | 291,025,000 | 57,836,000 | 124,360,000 | 28,075,000 | 37,612,000 | 190,047,000 |
| 1924..... | 329,508,000 | 38,483,000 | 135,045,000 | 30,208,000 | 45,262,000 | 210,515,000 |
| 1925..... | 332,391,000 | 2,883,000 | 141,717,000 | 30,208,000 | 27,885,000 | 199,810,000 |
| 1926..... | 349,116,000 | 16,725,000 | 142,473,000 | 30,208,000 | 31,899,000 | 204,580,000 |
| 1927..... | 368,920,000 | 19,804,000 | 147,120,000 | 30,208,000 | 33,813,000 | 211,141,000 |
| 1928..... | 394,114,000 | 25,194,000 | 152,936,000 | 30,208,000 | 37,176,000 | 220,320,000 |
| 1929..... | 426,914,000 | 32,800,000 | 164,522,000 | 30,208,000 | 44,007,000 | 238,737,000 |
| 1930..... | 473,372,000 | 46,458,000 | 176,799,000 | 30,208,000 | 53,587,000 | 260,594,000 |
| 1931..... | 520,667,000 | 47,295,000 | 188,377,000 | 30,208,000 | 58,055,000 | 276,640,000 |
| 1932..... | 574,419,000 | 53,752,000 | 189,635,000 | 30,208,000 | 76,902,000 | 296,745,000 |
| 1933..... | 594,128,000 | 19,709,000 | 187,965,000 | 30,208,000 | 76,514,000 | 294,687,000 |
| 1934..... | 655,761,000 | 61,633,000 | 187,829,000 | 37,208,000 | 72,247,000 | 297,284,000 |
| 1935***..... | 674,386,000 | 18,625,000 | 187,878,000 | 37,208,000 | 70,885,000 | 295,971,000 |
| 1936..... | 689,559,000 | 15,173,000 | 172,735,000 | 36,408,000 | 74,377,000 | 283,520,000 |
| 1937..... | 656,460,000 | 33,099,000* | 151,573,000 | 30,208,000 | 69,243,000 | 251,024,000 |
| 1938..... | 678,075,000 | 21,615,000 | 149,621,000 | 30,208,000 | 59,952,000 | 239,781,000 |
| 1939..... | 712,767,000 | 34,692,000 | 147,841,000 | 30,208,000 | 56,450,000 | 234,499,000 |
| 1940..... | 737,078,000 | 24,311,000 | 145,319,000 | 30,208,000 | 54,348,000 | 229,875,000 |
| 1941..... | 729,648,000 | 7,430,000* | 137,600,000 | 30,208,000 | 55,640,000 | 223,448,000 |
| 1942..... | 724,771,000 | 4,877,000* | 135,904,000 | 30,208,000 | 51,531,000 | 217,643,000 |
| 1943..... | 704,864,000 | 19,907,000* | 121,684,000 | 30,208,000 | 57,531,000 | 209,423,000 |
| 1944..... | 666,528,000 | 38,336,000* | 105,150,000 | 30,208,000 | 48,676,000 | 184,034,000 |
| 1945..... | 646,484,000 | 20,044,000* | 95,475,000 | 30,208,000 | 40,492,000 | 166,175,000 |
| 1946..... | 639,315,000 | 7,169,000* | 93,946,000 | 30,208,000 | 36,742,000 | 160,896,000 |
| 1947..... | 645,221,000 | 5,906,000 | 89,513,000 | 30,208,000 | 32,414,000 | 152,134,000 |
| 1948..... | 628,388,000 | 16,833,000* | 87,850,000 | 30,208,000 | 43,577,000 | 161,635,000 |
| 1949..... | 628,663,000 | 275,000 | 71,868,000 | 30,208,000 | 42,912,000 | 144,988,000 |
| 1950..... | 694,009,000 | 65,346,000 | 70,209,000 | 30,208,000 | 84,773,000 | 185,190,000 |
| 1951..... | 697,963,000 | 3,954,000 | 67,424,000 | 30,208,000 | 78,781,000 | 176,413,000 |

***Five months ended March 31st.

**The populations are shown in the years between the decennial censuses and in accordance with estimates of the Dominion Bureau of Statistics.

NOTE—Actual figures to nearest \$1,000.

OF ONTARIO
AND NET DEBT

1951

| ASSETS | | NET DEBT | | | | |
|------------------------------------|-------------|------------------------------------|-----------|------------------|------------------------------|----------------|
| Yearly Increase or Decrease* | Total | Yearly Increase or Decrease* | Year | Population ** | Per capita Net Debt \$ | Fiscal Year |
| \$ | \$ | \$ | | | | |
| ..... | 6,294,000 | ..... | 1914 Est. | 2,705,000 | 2.33 | 1914 |
| 5,384,000 | 9,469,000 | 3,175,000 | 1915 " | 2,724,000 | 3.48 | 1915 |
| 10,001,000 | 8,529,000 | 940,000* | 1916 " | 2,713,000 | 3.14 | 1916 |
| 4,081,000 | 6,937,000 | 1,592,000* | 1917 " | 2,724,000 | 2.55 | 1917 |
| 12,656,000 | 7,765,000 | 828,000 | 1918 " | 2,744,000 | 2.83 | 1918 |
| 16,373,000 | 13,115,000 | 5,350,000 | 1919 " | 2,789,000 | 4.70 | 1919 |
| 20,490,000 | 22,855,000 | 9,740,000 | 1920 " | 2,863,000 | 7.98 | 1920 |
| 53,430,000 | 44,609,000 | 21,754,000 | 1921 Cen. | 2,934,000 | 15.20 | 1921 |
| 15,307,000 | 60,045,000 | 15,436,000 | 1922 Est. | 2,980,000 | 20.15 | 1922 |
| 16,903,000 | 100,978,000 | 40,933,000 | 1923 " | 3,013,000 | 33.51 | 1923 |
| 20,468,000 | 118,993,000 | 18,015,000 | 1924 " | 3,059,000 | 38.90 | 1924 |
| 10,705,000* | 132,581,000 | 13,588,000 | 1925 " | 3,111,000 | 42.62 | 1925 |
| 4,770,000 | 144,536,000 | 11,955,000 | 1926 " | 3,164,000 | 45.68 | 1926 |
| 6,561,000 | 157,779,000 | 13,243,000 | 1927 " | 3,219,000 | 49.01 | 1927 |
| 9,179,000 | 173,794,000 | 16,015,000 | 1928 " | 3,278,000 | 53.02 | 1928 |
| 18,417,000 | 188,177,000 | 14,383,000 | 1929 " | 3,334,000 | 56.44 | 1929 |
| 21,857,000 | 212,778,000 | 24,601,000 | 1930 " | 3,386,000 | 62.84 | 1930 |
| 16,046,000 | 244,027,000 | 31,249,000 | 1931 Cen. | 3,432,000 | 71.11 | 1931 |
| 20,105,000 | 277,674,000 | 33,647,000 | 1932 Est. | 3,473,000 | 79.95 | 1932 |
| 2,058,000* | 299,441,000 | 21,767,000 | 1933 " | 3,512,000 | 85.26 | 1933 |
| 2,597,000 | 358,477,000 | 59,036,000 | 1934 " | 3,544,000 | 101.15 | 1934 |
| 1,313,000* | 378,415,000 | 19,938,000 | 1934 " | 3,544,000 | 106.78 | 1935 |
| 12,451,000* | 406,039,000 | 27,624,000 | 1935 " | 3,575,000 | 113.58 | 1936 |
| 32,496,000* | 405,436,000 | 603,000* | 1936 " | 3,606,000 | 112.43 | 1937 |
| 11,243,000* | 438,294,000 | 32,858,000 | 1937 " | 3,637,000 | 120.51 | 1938 |
| 5,282,000* | 478,268,000 | 39,974,000 | 1938 " | 3,672,000 | 130.25 | 1939 |
| 4,624,000* | 507,203,000 | 28,935,000 | 1939 " | 3,708,000 | 136.79 | 1940 |
| 6,427,000* | 506,200,000 | 1,003,000* | 1940 " | 3,747,000 | 135.09 | 1941 |
| 5,805,000* | 507,128,000 | 928,000 | 1941 Cen. | 3,788,000 | 133.89 | 1942 |
| 8,220,000* | 495,441,000 | 11,687,000* | 1942 Est. | 3,884,000 | 127.56 | 1943 |
| 25,389,000* | 482,494,000 | 12,947,000* | 1943 " | 3,915,000 | 123.24 | 1944 |
| 17,859,000* | 480,309,000 | 2,185,000* | 1944 " | 3,963,000 | 121.20 | 1945 |
| 5,279,000* | 478,419,000 | 1,890,000* | 1945 " | 4,000,000 | 119.60 | 1946 |
| 8,762,000* | 493,087,000 | 14,668,000 | 1946 " | 4,093,000 | 120.47 | 1947 |
| 9,501,000 | 466,753,000 | 26,334,000* | 1947 " | 4,176,000 | 111.77 | 1948 |
| 16,647,000* | 483,675,000 | 16,922,000 | 1948 " | 4,275,000 | 113.14 | 1949 |
| 40,202,000 | 508,819,000 | 25,144,000 | 1949 " | 4,378,000 | 116.22 | 1950 |
| 8,777,000* | 521,550,000 | 12,731,000 | 1950 " | 4,471,000 | 116.65 | 1951 |

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31, 1951

FUNDED DEBT—

| | |
|--|------------------|
| Stock and Debentures Outstanding | \$672,667,500 00 |
| Less—Sinking Funds..... | 90,850,000 00 |

\$581,817,500 00

| | |
|--|------------|
| 6% Bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961—Principal Liability assumed by the Province | 900,000 00 |
|--|------------|

Total Funded Debt.....\$582,717,500 00

UNFUNDED DEBT—

| | |
|--|------------------|
| Savings Office Deposits..... | \$ 63,908,955 71 |
| Special Funds, etc..... | 20,410,117 24 |
| Temporary Loans—Treasury Bills..... | 4,960,000 00 |
| Housing Corporation Limited—Liabilities..... | 14,530,914 18 |
| Ontario Municipal Improvement Corporation—Liabilities... | 924,624 21 |

104,734,611 34

ACCOUNTS PAYABLE AND ACCRUED INTEREST.....10,511,312 88

Gross Debt.....\$697,963,424 22

INVESTMENT THEREOF—

Revenue Producing and Realizable Assets—

| | |
|--|------------------|
| Hydro-Electric Power Commission—Advances | \$ 67,424,022 13 |
| Ontario Northland Transportation Commission—Advances..... | 30,207,934 92 |
| Housing Corporation Limited—Investments..... | 14,929,888 69 |
| Loans—Farm, Municipal, etc..... | 14,945,436 17 |
| Accounts Receivable..... | 10,300,267 96 |
| Cash on Hand and in Banks..... | 27,677,444 60 |
| Consolidated Revenue Fund—Investments..... | 10,000,000 00 |
| The Ontario Municipal Improvement Corporation—Investments..... | 928,265 37 |

\$176,413,259 84

Revenue Producing but not Realizable Assets—

| | |
|---|------------------|
| Roads and Highways..... | \$506,261,327 13 |
| Niagara Parks Commission (Surplus of Assets)..... | 2,136,753 18 |
| Government of Canada—Debt Account..... | 2,848,289 52 |
| Government of Canada—Common School Fund..... | 1,424,597 20 |

512,670,967 03

Total Revenue Producing Assets.....\$689,084,226 87

Non-Revenue Producing Assets—

| | |
|--|------------------|
| Public Buildings, Public Works, etc..... | \$177,871,970 05 |
| Equipment, Stores and Materials..... | 4,268,233 02 |
| Other Loans and Advances..... | 934,428 09 |

183,074,631 16

Other Assets—

| | |
|---|--------------|
| Discount on Debentures, etc. (Less amount amortized)..... | 5,495,043 42 |
|---|--------------|

Total Assets.....\$877,653,901 45

SURPLUS AND RESERVES—represented in above Assets.....\$179,690,477 23

GROSS PROVINCIAL DEBT

Statement Showing Increase

For Fiscal Year Ended March 31, 1951

| | 1950 | | 1951 | | Increase 1951 over 1950 | |
|-------------------------|--------------------|-----------|--------------------|-----------|----------------------------|-----------|
| | \$ | c. | \$ | c. | \$ | c. |
| Funded Debt..... | 585,350,849 | 80 | 582,717,500 | 00 | 2,633,349 | 80 |
| Unfunded Debt..... | 98,626,787 | 22 | 104,734,611 | 34 | 6,107,824 | 12 |
| Income Liabilities..... | 10,031,697 | 63 | 10,511,312 | 88 | 479,615 | 25 |
| GROSS DEBT..... | 694,009,334 | 65 | 697,963,424 | 22 | 3,954,089 | 57 |

ACCOUNTING FOR INCREASE IN GROSS DEBT—

Capital Disbursements—

Disbursements on Highways, Public Buildings,

Works, etc.....\$ 55,595,724 84

Less Capital Receipts.....5,523,416 45

\$ 50,072,308 39

The Ontario Municipal Improvement Corporation—

Investments.....928,265 37

Discount on Debentures, issued during year.....500,000 00

Increase in Drainage Loans (net).....22,554 85

Increase in Co-operative Marketing Loans (net).....123,596 00

Consolidated Revenue Fund—Temporary Investments.....10,000,000 00

Increase in Income Liabilities.....479,615 25

\$ 62,126,339 86

Deduct—

Provision Charged to Ordinary Expenditure—

Retirement of Railway Aid Certificates.....\$ 349 80

Sinking Fund Instalments.....21,698,000 00

Surplus on Ordinary Account.....15,483,682 24

\$ 37,182,032 04

Discount on Debentures, written off.....536,525 85

Net Repayments on Loans Receivable—

Hydro-Electric Power Commission

of Ontario.....\$ 2,784,701 84

Agricultural Development Board..1,875,000 00

Miscellaneous (net).....37,978 40

4,697,680 24

Decrease in Cash on Hand and in Banks.....15,089,137 37

Decrease in Sundry Assets of Savings Office.....2,741 72

Increase in Reserves (net).....249,316 86

Decrease in Housing Corporation Investments.....246,256 19

Home Bank.....10,000 00

Sandwich, Windsor and Amherstburg Railway—Bonds..100,000 00

City of Windsor—Debentures.....58,560 02

58,172,250 29

NET INCREASE.....\$ 3,954,089 57

NET PROVINCIAL DEBT

Statement Showing Increase

For Fiscal Year Ended March 31, 1951

| | 1950 | | 1951 | | Increase 1951 over 1950 | |
|---|-------------|----|-------------|----|----------------------------|----|
| | \$ | c. | \$ | c. | \$ | c. |
| Gross Debt..... | 694,009,334 | 65 | 697,963,424 | 22 | 3,954,089 | 57 |
| Revenue Producing and Realizable Assets.... | 185,190,003 | 15 | 176,413,259 | 84 | 8,776,743 | 31 |
| NET DEBT..... | 508,819,331 | 50 | 521,550,164 | 38 | 12,730,832 | 88 |

ACCOUNTING FOR INCREASE IN NET DEBT—

Capital Disbursements—

| | | |
|---|---------------|----|
| Disbursements on Highways, Public Buildings, Works, etc..... | \$ 55,595,724 | 84 |
| Less Capital Receipts..... | 5,523,416 | 45 |

\$ 50,072,308 39

| | | |
|--|---------|----|
| Discount on Debentures, issued during year | 500,000 | 00 |
|--|---------|----|

Decrease in Accrued Interest on Agricultural Development

| | | |
|-----------------------|---------|----|
| Board Debentures..... | 142,602 | 10 |
|-----------------------|---------|----|

| | | |
|-------------------------------------|---------|----|
| Increase in Income Liabilities..... | 479,615 | 25 |
|-------------------------------------|---------|----|

\$ 51,194,525 74

Deduct—

Provision Charged to Ordinary Expenditure—

| | | |
|--|------------|----|
| Retirement of Railway Aid Certificates.. | \$ 349 | 80 |
| Sinking Fund Instalments..... | 21,698,000 | 00 |
| Surplus on Ordinary Account..... | 15,483,682 | 24 |

\$ 37,182,032 04

| | | |
|--|---------|----|
| Discount on Debentures, written-off..... | 536,525 | 85 |
|--|---------|----|

| | | |
|---|---------|----|
| Increase in Income Accounts Receivable..... | 481,610 | 73 |
|---|---------|----|

Decrease in Savings Office—Furniture and Fixtures and

| | | |
|------------------------------|-------|----|
| Alterations to Premises..... | 2,260 | 82 |
|------------------------------|-------|----|

| | | |
|---------------------------------|---------|----|
| Increase in Reserves (net)..... | 249,316 | 86 |
|---------------------------------|---------|----|

Net Repayments in respect to Other Loans and Ad-

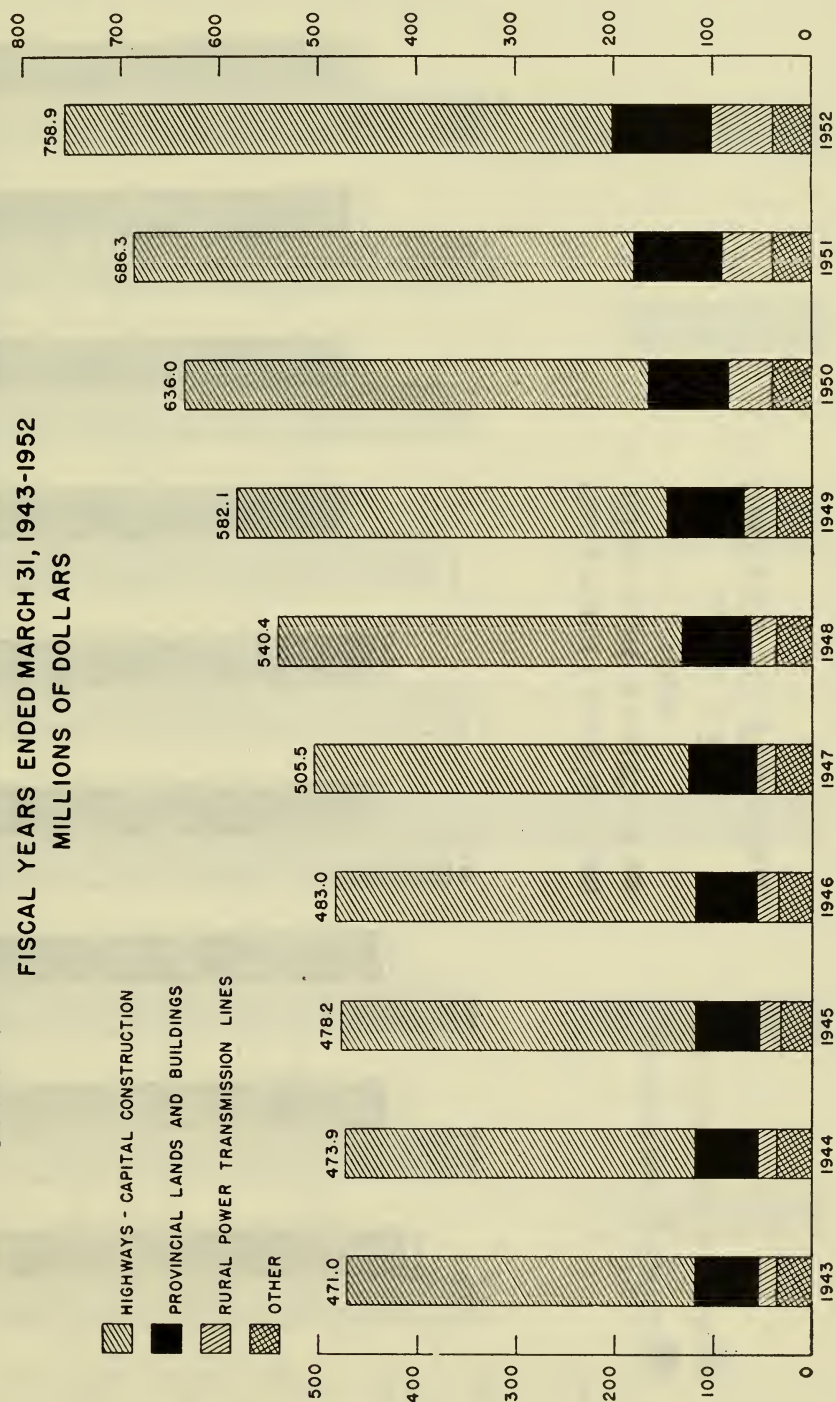
| | | |
|-------------|--------|----|
| vances..... | 10,389 | 02 |
|-------------|--------|----|

| | | |
|------------------------------|-------|----|
| Miscellaneous Decreases..... | 1,557 | 54 |
|------------------------------|-------|----|

38,463,692 86

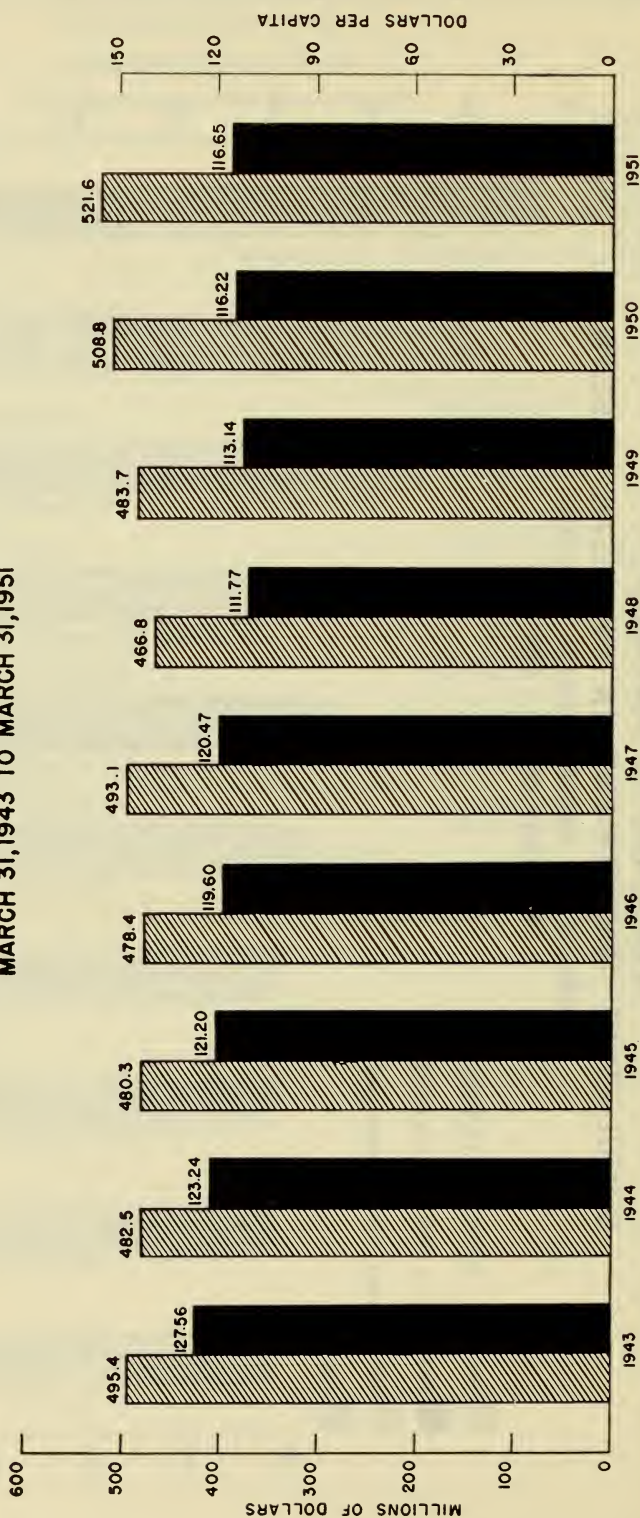
NET INCREASE.....\$ 12,730,832 88

PROVINCE OF ONTARIO
CUMULATIVE INVESTMENT IN PHYSICAL ASSETS
 FISCAL YEARS ENDED MARCH 31, 1943-1952
 MILLIONS OF DOLLARS

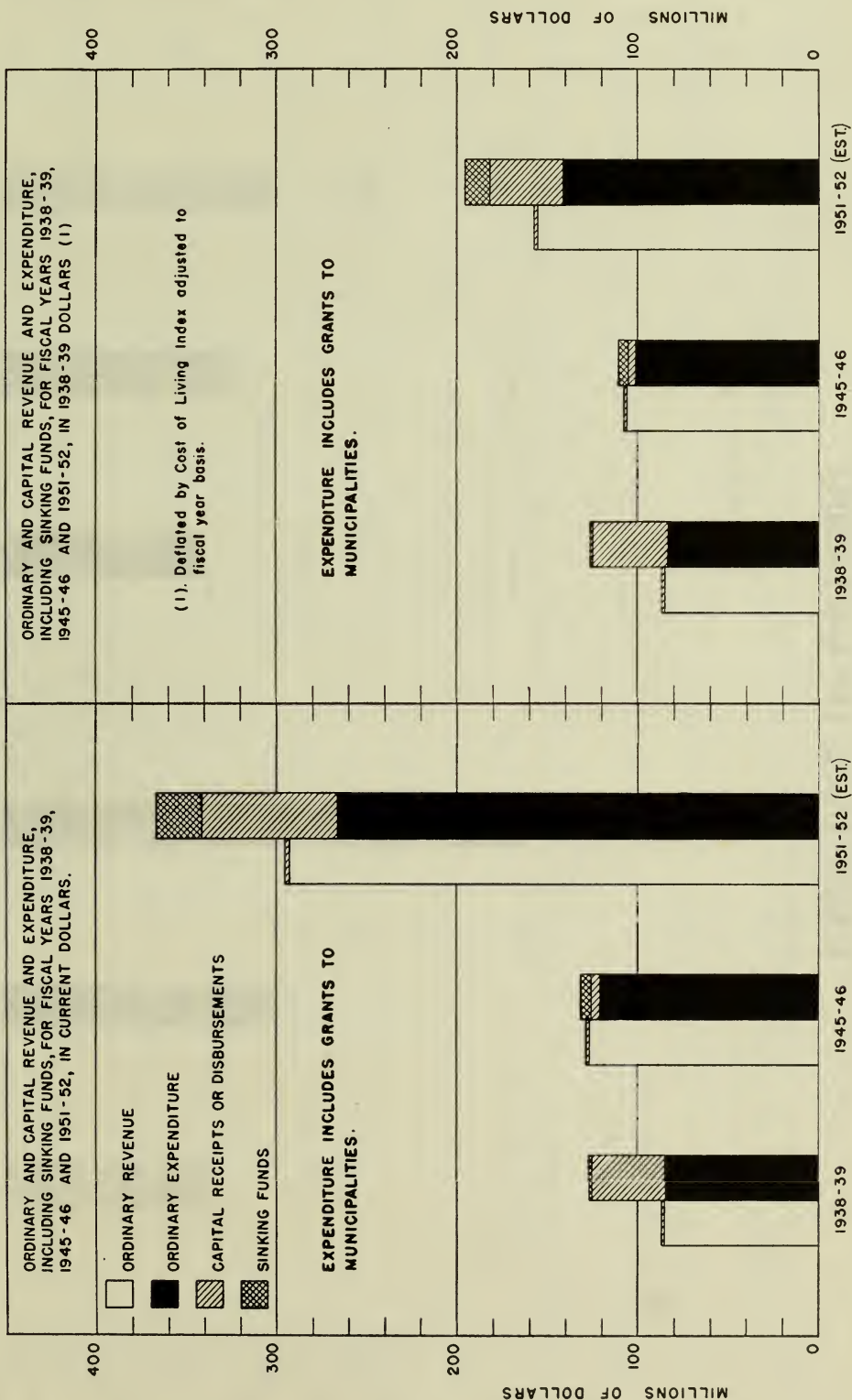


PROVINCE OF ONTARIO
NET DEBT
AND
PER CAPITA NET DEBT
MARCH 31, 1943 TO MARCH 31, 1951

▨ NET DEBT IN MILLIONS OF DOLLARS
■ PER CAPITA NET DEBT IN DOLLARS



ORDINARY AND CAPITAL REVENUE AND EXPENDITURE,
INCLUDING SINKING FUNDS, FOR FISCAL YEARS 1938-39,
1945-46 AND 1951-52, IN 1938-39 DOLLARS (1)



PROVINCE OF ONTARIO

